



FINANCE COMMITTEE MEETING MINUTES – 2025 BUDGET

TUESDAY, OCTOBER 01, 2024, THROUGH THURSDAY, OCTOBER 10, 2024

MUNICIPAL BUILDING – 106 JONES STREET, WATERTOWN, WI 53094

Tuesday, October 01

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

Others present: Finance Director Stevens, Attorney Chesebro, Chief Brower, Alder Board, Health Director Quest, Zoning Administrator Zirbes, Tim Hayden

Attending via Zoom: Chief Reynen, Street Operations Manager Winkelman, Park/Rec Director Butteris, Mason Becker, other employees

1. Call to order: Mayor McFarland called the meeting to order at 6:01 p.m.
2. A job offer was recently made to Michael Dauer-Jacek as building inspector at G/S M3 [\$35.67/hr]. The applicant is interested in accepting the position but has asked for G/S M4 [\$36.63/hr] and an additional week of vacation. A motion was made by Ald. Davis, seconded by Ald. Bartz to approve, and unanimously approved.
3. **2025 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). The mayor's goal was to find a balance between meeting goals and responsibilities with a modest impact on tax levy if needed to achieve that.
 - **Presentation highlights:**
 - No increase in general fund tax levy
 - The proposed increase in expenditures is less than the 3.4% ERP maximum for Watertown
 - Overall General Fund expenditure increase is 3.3%
 - Fund balance will be utilized with approximately \$1 million. The estimated unassigned fund balance as of 12/31/24 is 32.7%. The estimated unassigned fund balance as of 12/31/25 is 26.2%.
 - Fund 05 borrowing: \$4.25M, including \$750,000 for Rock River Ridge infrastructure (2024: \$3.12M; 3-yr ave: \$3.3M)
 - Debt levy increases from \$4,900,000 to \$5,300,000
 - **2025 Operational Goals:**
 - Invests in the strategic planning and maintenance of our city buildings
 - Proactively maintains and improves our parks and infrastructure to ensure safety, quality, and equity
 - Supports employee retention and growth, while also evaluating operations and the associated staffing
 - Fosters community growth by assessing opportunities, stakeholder input, environmental needs, and modern code and policy priorities
 - Maintains a safe and healthy community, with an eye toward future needs and trends

- **Debt [Fund 04]:** Finance Director Stevens reviewed the projected payment schedule of principal and interest.
 - **Capital Improvements [Fund 05]:** Finance Director Stevens reviewed the projects list that would require \$4.25M in General Obligation borrowing.
4. Adjournment. Ald. Moldenhauer moved to approve to adjourn at 6:58 pm, seconded by Ald. Davis, and carried by unanimous voice vote.

Monday, October 07

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

Others present: Finance Director Stevens, Attorney Chesebro, Water Systems Manager Hartz, Media Coordinator Famularo, Mason Becker, Lisa Schwartz

1. Call to order: Mayor McFarland called the meeting to order at 4:34 p.m.
2. A motion was made by Ald. Davis, seconded by Ald. Bartz, to approve the minutes of the September 23 meeting. Unanimously approved.
3. The Transit Commission has recommended that the City exercise its ability to enter a contract for **year five with Passenger Transit Inc**, beginning January 1, 2025, through December 31, 2025. Ald. Bartz moved, supported by Ald. Moldenhauer to approve this addition to the existing contract for 2025. Unanimously approved.

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

4. **2025 budget** proposal discussion: **General Government** (Common Council, Mayor, Human Resources, Employee Benefits, Municipal Court, Attorney, Media Services/Communications, Information Technology, Finance, Elections, Assessor, Audit, Property/Liability Insurance) and **Public Service Enterprises**
5. **2025 budget** proposal discussion: **Other Funds** (Economic Development [60], TIDs [Funds 08, 09, 10, 19, 23, 30], Riverfest [12], Transit [13], Tourism [22], Non-recurring Grants [24], Fiber Optic [25], CDB Housing [65]
 - A. **Economic Development:** The committee agreed that the General Fund Contribution to this fund should be linked to the full compensation of the Development Coordinator.
6. Adjournment. Ald. Lampe moved to approve to adjourn at 6:23 pm, seconded by Ald. Davis, and carried by unanimous voice vote.

DATE	Account	Name	Original	Modified	Impact to Fund 01 Bottom Line	First	Second
10/7/2024							
Pg 7	01-51-31-52	Econ Devlpmnt Contribution	85,000	89,000	(4,000)		
Pg 11	01-51-81-56	Contingency Fund	95,000	91,000	4,000	Lampe	Bartz
Pg 97	60-40-04-03	Contribution from General Func	(85,000)	(89,000)	-----		

Wednesday, October 09

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

Others present: Finance Director Stevens, Chief Brower, Health Director Quest, Park/Rec Director Butteris, Chief Reynen, Library Director Checkai, Chris Koppes (Library board chair)

1. Call to order: Finance chair Bartz called the meeting to order at 4:33 p.m.
2. **2025 budget** proposal discussion: **Health** (Public Health, Environmental Health [14], Health Emergency Preparedness [15], Seal-a-Smile [18])
3. **2025 budget** proposal discussion: **Other Services** (Humane Society)
4. **2025 budget** proposal discussion: **Public Safety** (Police, Crossing Guards, Dispatch Center, Municipal Building, Fire, Emergency Government)
 - A. **Fire:** Chief Reynen recently reviewed the current year's costs in the Computers & Software account and requested an increase to this account.
5. **2025 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. **Recreation Admin:** Park/Rec Director Butteris requested an increase in Rec Admin Supplies & Expenses, citing an increased use of the facilities comes with an increased cost in paper products.
 - B. **Park Department:** Park/Rec Director Butteris indicated that the Park, Recreation & Forestry Commission had approved an increase in part-time wages to incentivize returnees from one year to the following, so a request to reinstate the requested PT Wages was made. Mr. Stevens suggested a partial source of funding by reducing the Capital Outlay due to the approved intended use that could afford a \$1000 reduction.
 - C. **Developer Parks:** When evaluating the Capital Improvements Projects, a reminder of the unfunded request of 2024 for the Riverside Park master plan prompted the Finance Committee to add this to the 2025 spending plan of Fund 07.
 - D. **Park:** The Finance Committee approved the addition of the Brandt Quirk irrigation repairs onto the Capital Projects budget.
6. **2025 budget** proposal discussion: follow-up from prior meetings
 - A. Unrelated directly to the budget, there were questions regarding the contractor that provides the **shared transit services**. Their drivers are subjected to random drug testing, a federal requirement for this program. In addition, the Transit Commission is provided quarterly vehicle maintenance reports.
 - B. Finance Director Stevens shared the methods he has determined for the assignment of Administrative Management, Support, Overhead (**AMSO**) to the **TID accounts**. The Committee agreed to his approach.
 - C. Reports were received to modify **State payments** for services to state facilities, General Transportation Aids, and Connecting Highways Aids. The revenue accounts on page 1 [01-42-73-xx] have been updated.

D. An updated quote for **COBRA administrative services** from EBC was received. The actual annual cost for 2025 will be \$1,856, inclusive of setup, participant takeover, monthly administration, new hire and termination notifications, premium billing. The Finance Committee agreed the nominal cost was worth the compliance assurance.

7. 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
10/9/2024							
Pg 1	01-42-73-51	Services to State Facilities	(2,711)	(2,617)	(94)	WI notifications arrived	
	01-42-73-64	State Aid- General Transprttn	(986,477)	(1,016,131)	29,654		
	01-42-73-65	State Aid- Connecting Hwy	(60,891)	(71,399)	10,508		
Pg 14	01-51-95-4x	COBRA Admin	-	1,856	(1,856)	Lampe	Davis
Pg 11	01-51-81-56	Contingency Fund	91,000	89,144	1,856		
Pg 17	01-52-31-28	FD Computers & Software	35,000	40,000	(5,000)	Lampe	Davis
Pg 11	01-51-81-56	Contingency Fund	89,144	84,144	5,000		
Pg 26	01-55-20-18	Rec Admin Supplies & Exp	6,000	7,045	(1,045)	Lampe	Davis
Pg 11	01-51-81-56	Contingency Fund	84,144	83,099	1,045		
Pg 28	01-55-41-16	Park Dept PT Wages	30,000	32,480	(2,480)		
	01-55-41-60	Park Dept Capital Outlay	5,000	4,000	1,000	Davis	Moldenhauer
Pg 11	01-51-81-56	Contingency Fund	83,099	81,619	1,480		
Pg 64	07-58-11-15	Developer Parks Improvements	76,500	141,500	-----	Bartz	Moldenhauer
Pg 61	05-55-41-70	Park Cptl: BQ irrigation rpr	-	20,000	-----	Lampe	Moldenhauer
Pg 59	05-48-20-20	Capital Borrowing	(4,250,000)	(4,270,000)	-----		

Thursday, October 10

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

Others present: Finance Director Stevens, Public Works Director Beyer, Streets Operations Manager Winkelman, Water Systems Manager Hartz, Zoning Administrator Zirbes, Krys Brown, Maureen McBroom, Tim Hayden

1. Call to order: Finance chair Bartz called the meeting to order at 4:30 p.m.
2. **2025 budget** Proposal discussion: Public Works (Building/Safety/Zoning, Planning, Engineering, annual infrastructure [part of Fund 05], Street Division, Solid Waste [17], Stormwater [16], Airport, Water [03], Wastewater [02])
3. **2025 budget** proposal discussion: **follow-up** from prior meetings
 - A. **Public Service Enterprises:** After review, the committee determined to not lower the current support levels of any organization.
 - B. **Capital Improvement:** A correction in the transposition of amounts in two accounts [05-58-11-37 and 05-58-11-69] was made. A decision was made to return funding for playground equipment replacements to the spending plan.

4. **2025 budget adoption**

- A. We started with a contingency fund of \$95,000 and adjustments have reduced the balance to \$81,619. Utilizing the limits imposed under the Expenditure Restraint Program, Finance Director Stevens requested the **Contingency Fund** be **modified to \$85,000**.
- B. The committee reviewed the General Fund tax levy. After a conversation on a different scenario that would increase the levy, it was agreed to present **no change to the General Fund levy of \$10,460,000**. The projected net decrease to the General Fund fund balance is <\$993,845>, which would lower the **unassigned fund balance to 26.2%** of the annual expenditures budget, within the 20%-30% targeted range.

The **Debt levy** that has been proposed includes an **increase from \$4.9M to \$5.3M** for 2025 to adhere to the principal and interest debt management schedules of General Obligation debt.

A motion was made by Ald. Lampe, supported by Ald. Davis, to **pass the modified budgets of Funds 01 and 04** onto the Council for its approval. The 2024 increase of \$60,000 was the lowest increase in this past decade. And 2025 has no increase. Approved by unanimous voice vote.

Ald. Lampe moved, seconded by Ald. Davis, to **pass the modified budgets of all other funds** that have no tax levy requests onto the Council for its approval. This was approved by unanimous voice vote.

- 5. **Adjournment.** Ald. Moldenhauer moved to approve adjournment at 5:48 pm, seconded by Ald. Lampe, and carried by unanimous voice vote.

DATE	Account	Name	Original	Modified	Impact to Fund 01 Bottom Line	First	Second
10/10/2024							
Pg 30	01-57-11-56	Rock River Community Clinic	3,000	5,000	(2,000)	Lampe	Bartz
	01-57-11-58	Wttn Family Ctr/Connections	3,000	5,000	(2,000)		
Pg 62	05-58-11-37	River Walkway Repairs	60,000	100,000	-----	Correction in Transposition of Amounts	
	05-58-11-69	St: Labaree St design	60,000	70,000	-----		
	05-58-11-69	St: N. Church St sidewalk design	300,000	155,000	-----		
Pg 59	05-48-20-20	Capital Borrowing	(4,270,000)	(4,175,000)	-----		
Pg 61	05-55-41-70	Park: playground replacements	-	75,000	-----	Davis	Bartz
Pg 59	05-48-20-20	Capital Borrowing	(4,175,000)	(4,250,000)	-----		
Pg 11	01-51-81-56	Contingency Fund	81,619	85,000	(3,381)	Davis	Bartz
	Subtotal of Changes				32,687		
Pg 5	01-49-99-16	Tax Levy	(10,460,000)	(10,460,000)	-	No change	
	Subtotal of Changes				32,687		
	Mayor's Original Budget				(1,026,532)		
	Finance Com Budget (Impact to Fund Balance)				(993,845)		

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.