

ABSTRACT/SYNOPSIS OF THE ESSENTIAL ELEMENTS OF THE OFFICIAL ACTIONS OF THE FINANCE COMMITTEE OF THE CITY OF WHITEWATER, WALWORTH AND JEFFERSON COUNTIES, WISCONSIN

Special Finance Committee Meeting Minutes of October 12, 2023

**1. Call to Order and Roll Call**

Chairperson Lisa Dawsey-Smith called the meeting to order at 6:00 pm.

Present at the meeting were committee members David Stone, Jill Gerber, and Lisa Dawsey Smith.

Absent: N/A. Staff and guests present: Finance Director Rachelle Blitch, Brad Marquardt, Ben Mielke, and Jim Bergner.

**2. Hearing of Citizen Comments**

None

**3. 2024-2025 Budget Review (2 of 3)**

- a. Public Works (Administration, Shop/Fleet Operations, Street Maintenance, Street Ice/Snow, and Street Lights)** – Marquardt noted there was nothing out of the usual in the budget items. Gerber asked about the engineering expense being low and Marquardt explained that those are for services not tied to a specific project. Gerber asked about the electricity expense as she had expected it to go down after the bulb replacements. Marquardt stated that only some of the bulbs have been replaced. Dawsey-Smith added that she recalled that while they were more efficient there was a higher fee being assessed by WE Energies. Marquardt noted that when replacing the bulbs it can take up to seven years to see the cost decrease and that the upfront cost to replace is higher but the electricity is actually lower. Stone wondered if the city had considered using shorter street lights as an option so when a bulb needs to be replaced the city can do it instead of having WE Energies do it. Marquardt responded that those lights are similar to the decorative lighting in downtown and that the city is responsible for the maintenance and costs associated with them. Dawsey-Smith asked if some of the costs of the lighting in 2023 could be expensed to the associated TIDs. Marquardt stated it could and he would check into it.
- b. Fund 215 Equipment Replacement** –Stone inquired about the 2023 expenses in the Rolling Stock line item as it was projected to be significantly over budget but also noted that the 2024 vs 2025 budget were significantly different. Marquardt said he would need the full document to answer the question about the 2023 anticipated expenses and Dawsey-Smith explained the difference with the 2024-2025 budgeted items was because they didn't have anything scheduled to be purchased/replaced in 2025.
- c. Fund 230 Solid Waste Recycling** –Stone inquired about the rate increases and Marquardt explained the Council had already approved the rate increase and that it will be included in the revised budget and that he does expect John's Disposal to do another rate increase in 2025. Dawsey-Smith explained that they are allowed to ask for an increase each year that corresponds to CPI. Marquardt explained the increase for 2024 was \$0.27 which came to approximately \$12,000.
- d. Forestry** – Marquardt noted it was the year to treat Ash trees and that's the reason for the increase from 2023.

- e. **Street Repair** – Dawsey-Smith inquired if this was an area that potential surplus could be allocated and Marquardt stated he does typically ask for additional funds to be set aside when possible. Marquardt stated they have plans to repave Pearson Ct, Pearson Ln, Meadowview Ct in anticipation of development, multiple streets being seal-coated along with the asphalt at the wastewater plant, and some of the projects will get charged out.
- f. **Water Utility** – Stone was concerned regarding the reallocation of the Vanderlip Lift Station between water and sewer. Marquardt explained that the sewer user rate charges must be used on sewer projects but the borrowing is something that can be switched between projects. Stone asked if we would be borrowing additional money for the lift station and Marquardt responded that we would but 50% of the borrowing is eligible for principle forgiveness from the clean water loan. Gerber asked about the 300 accounts with a budget of 1.8M. Blitch explained the amount was the summary of all of the accounts. Stone asked if the Well 7 modification was getting rid of the reservoir and Bergner confirmed it was.
- g. **Wastewater Utility** – Stone asked if the rate increase took effect in March of 2022 and Marquardt responded that it did. Gerber questioned the revenue amounts between 2024 and 2025 as it appeared we were losing revenue. Marquardt speculated that it could be due to the increased water credit going from three months to six months. Stone inquired about the amount of interest on debt. Marquardt explained that the city had a \$22M project and that it was to be expected. Dawsey-Smith also explained that the city saved a lot of money by doing the borrowing for two years versus one year. Stone asked for the status on the Vanderlip project and Marquardt explained that it would be constructed in 2024 and that Karen (Comptroller) was working to complete the CIP list and would update the summary pages to reflect those costs.
- h. **Stormwater Utility** – Marquardt stated we should look at the cost per ERU as it was last updated in December of 2015 from 558 to 617 and we will have projects coming up for detention ponds. He further explained the city would be able to handle the majority of the projects however, there are a couple that will need to be contracted out.
- i. **Rock River Stormwater Group** – Stone asked if we were the only ones participating in this group. Marquardt stated there are approximately twelve municipalities in the group and potentially two other towns joining. Dawsey-Smith noted the professional services cost is causing the city to draw from the reserves. Marquardt explained the city has a couple of invoices for marketing that are not posted yet but that there is a plan to spend the balance. Stone asked if the dam repairs were for Tripp or Cravath. Marquardt noted the city has repairs that were required to be done on Cravath in 2023 however, because it wasn't budgeted for permission was given by the DNR to do those repairs in 2024.
- j. **Media Services** – Gerber inquired about the \$45,000 transfer to the fund and Blitch explained it's from the general fund to support the activities of media services since the fund isn't self-sufficient. Gerber inquired whether the chief of staff's salary was split and included in this fund. Blitch stated she believed it was but would verify that information. Gerber asked if the position of the Media Coordinator would be filled. Blitch confirmed that the city is accepting applications until October 22<sup>nd</sup>. Blitch explained that the \$45,000 transfer listed on the budget document would be updated since the city is expected to have a surplus in 2023 in which they will prefund this transfer. Gerber asked about the engagement numbers and was concerned the cost of the cable tv station might not be

worth keeping it. Dawsey-Smith explained the city has requested the information from Charter but they will not release the data.

- k. **Parking Permits** – Stone asked what the target fund balance of \$120,000 is for and Dawsey-Smith explained the fund balance is used to pave/repair parking lots and Blitch added that once the target fund balance is reached the city would stop allocating funds in years that have an adequate fund balance.
- l. **Rideshare Grant Program** – Gerber asked if we had received any funding this year and Blitch stated the city did receive the \$49,000 and that she had recently spoken to WisDOT who said they were behind on processing the reports and that we should receive the revenue by the end of the month. Dawsey-Smith inquired about the contract for the next five years and Blitch explained that she had just received the one proposal the day before and the cost was a 9% increase from previous years.
- m. **Sick Leave Severance** – Stone asked about who qualifies for this and Dawsey-Smith explained that only the people who were hired before 2011 are eligible and only a handful of people remain.
- n. **Insurance SIR** – No comments.
- o. **Birge Fountain** – Marquardt stated there is a project on the horizon that Landmarks is requesting the city do but this is not something the city typically sets money aside for so it would need to be fundraised or borrowed for. Stone stated he heard concerns from citizens who wanted to make donations but were worried the money would be spent on something else and asked if there was a way to get reassurance that the money donated would be spent on the project. Blitch explained that is the essence of fund accounting and that the money received stays with the associated fund and must be used on approved projects.
- p. **Depot Restoration** – No comments.
- q. **Innovation Center** – The expenses were missing from the packet. Stone made a motion to move this to the October 16<sup>th</sup> meeting. Gerber seconded the motion.

#### 4. Future Agenda Items

- Update on Library expansion funding
- Starin Water Tower
- Employee bonus update
- Compensation study update
- Updated Financials

#### 5. Discussion of Next Meeting Date

Next regular meeting date was set for October 24, 2023 at 4:30pm.

Special finance committee meetings for budget review were set as follows:

October 16<sup>th</sup> at 3:30pm

#### 6. Adjournment

Gerber moved, Dawsey-Smith seconded adjournment. Motion carried on unanimous voice vote. Meeting adjourned at 7:00 pm.

Respectfully submitted,

Rachelle Blitch

Director of Finance and Administrative Services.