

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 16, 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, Michelle Dujardin, and Kevin Boehm.

**Hearing of Citizen Comments**

None

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

- a. **Innovation Center** –Stone asked if we were still using DPW for maintenance and grounds expenses and Dawsey-Smith responded the Tech Park Board made the decision to contract it out since it was beyond the scope of what DPW could do. Marquardt confirmed that was accurate. Gerber inquired why some accounts were highlighted yellow. Dawsey-Smith stated it was due to the leases not being adjusted at the beginning of the year so the revenue would be off.
- b. **Parks & Recreation** –Stone asked if there would be any funds for professional development. Blitch confirmed they have money for conferences and training. Geber inquired about what the “Community Events and Awards” account is for. Gerber asked what the \$11,000 under Senior Citizen’s Program was for and Dujardin responded that it is for concerts in the park and other events like Halloween. Gerber asked if it was strictly for seniors and Dujardin responded that these events are community wide. Stone inquired about the WAFC contributions and whether these numbers would change after the vote three nights ago. Dawsey-Smith confirmed these numbers would not change.
- c. **Building Repair** – Dawsey-Smith noted that this is one of the City’s opportunities to look at towards the end of the year whether it’s needed or not. Blitch made note to follow up.
- d. **Skate Park** – No comments.
- e. **Parkland Acquisition** – Stone was concerned if anyone is ensuring that funds are collected when there’s a new development and Dawsey-Smith responded that she assumes it goes through Neighborhood Services when there’s a permit. Marquardt confirmed.
- f. **Parkland Development** – Stone was concerned there aren’t funds set aside for the Effigy Mounds because there is an interest in keeping them maintained. Dawsey-Smith asked if he was asking for consideration to fund a capital outlay account for the Effigy Mounds and Stone confirmed.
- g. **Field of Dreams** –Dawsey-Smith inquired when the field was due to be replaced. Dujardin responded they are working with Hunter on this. Dawsey-Smith asked if there was a target fund balance and Blitch responded it was \$100,000.
- h. **Aquatic Center** – Gerber requested an explanation of the front desk staff overages. Dujardin explained during the lifeguard shortage they were using front desk staff to complete some of the tasks and they were training more new staff. Gerber asked if the aquatics line is where the lifeguards are budgeted and was concerned because it appears as

- if we are doubling that line item. Dujardin explained during the shortage we increased the wages from \$9/hour to \$13/hour and Blitch added that the budget amount reflects the center fully staffed. Gerber asked about the facility rentals as it appears we are budgeting to bring in more than usual. Dujardin confirmed and explained they have done some marketing but they have to have at least two parties to break even and it's difficult to do with the space so that's something they are working on. Stone requested that every three months the committee be provided with an update on the WAFC so it can be monitored.
- i. **Parks & Rec Special Revenue** – Stone asked if there was any interest in youth volleyball or basketball. Dujardin responded that volleyball will be coming back and that we do youth basketball but all travel ball is done through club. Gerber stated it appears that a lot of what was budgeted for 2023 won't be achieved. Dujardin replied they don't have instructors for dance or gymnastics and have advertised but have been unable to recruit. Gerber inquired about the after-school program citing revenues appear to be down \$20,000. Dujardin responded that those should be increasing as they currently have high enrollment numbers.
  - j. **Lakes Improvement** –Stone requested we come up with a long-term plan, possibly get a consultant for the lakes because there seems to be all sorts of concerns about what the problems are. Dujardin responded that they are working on it and that they had a tour today and have talked to the company they used in 2011. She further explained that she and John met with them to refresh the plan to move forward but exact costs are not known yet but they also have plans to start the lakes advisory committee to work through these issues. Marquardt asked if the company does this for free and Dujardin responded that they charge for staff hours but they are not a private consultant so the fees are cheaper and they are educated on our lakes and community. Gerber stated it's going to depend on the direction the council wants to take.
  - k. **General Fund** –Stone asked what the Expenditure Restraint Program was and Dawsey-Smith explained that it's a payment from the state received as an incentive to control the budgets growth from year to year and the city didn't qualify because of the referendum for Fire/EMS. Gerber asked if the MSP payment was correct because she thought we weren't supposed to receive it for 2024-2025. Blitch responded that it's only for one year. Stone inquired about the city planning services and wanted to know if this was something we were contracting out. Dawsey-Smith replied that occasionally we are asked to do something additional but it's rare. Stone asked if the city could set aside \$25,000 in contingencies in case the community would like a project done. Dawsey-Smith stated it might be something we could address at the end of the year if there's additional surplus.
  - l. **Neighborhood Services** – Stone inquired if the drop in salaries was due to not having a FT employee. Dawsey-Smith noted that if you look at the professional services line, those funds were moved because it's being contracted out. Gerber inquired whose salaries are allocated to Neighborhood Services. Blitch responded that the admin assistant and the GIS analyst are reflected in that line. Marquardt clarified that only a portion of the GIS analyst is allocated to Neighborhood Services.
  - m. **Administration** –Stone noted the Whitewater Grant used to be \$30,000 and it's only \$25,000 now and asked if this is something we could consider and Dawsey-Smith replied it's something we can consider in future years.
  - n. **General Administration** – No comments.

- o. Legislative Support** –no comments.
- p. Contingencies** – Nothing but noted for future considerations.
- q. Legal** – Dawsey-Smith requested we verify the amount for the union attorney as it is low. Gerber responded it was likely due to it not being a union negotiation year.
- r. Municipal Court** – No comments.
- s. IT** – Dawsey-Smith noted it appears we are taking on another person. Gerber inquired why another person was needed. Blitch explained there is a need for an entry level desktop support technician to help so the director can focus on the larger projects and server upgrades and the new position would be able to provide additional support to the police department. Gerber inquired whether this meant we would be cutting down on the professional services line. Blitch responded that it would but not this year as there are still several big projects to complete. Gerber stated she didn't know why we would need an additional person and asked if it would be part of the salary resolution. Blitch confirmed. Gerber stated she would wait to see it there. Dawsey-Smith stated it would be for general tickets like a laptop that isn't working. Gerber requested that data be collected to justify the position. Blitch stated as of date there were 760 tickets resolved. Gerber requested we go back to the budget document when the previous IT Administrator was here to get ticket data. Marquardt stated that many times when the prior IT was called a ticket was never created. Gerber said she is just asking for the data. Blitch agreed to look for it.
- t. Finance** – Gerber stated the salaries and benefits looked higher than the projected raises are for the next year. Dawsey-Smith responded that the accountant position was benchmarked when it was vacant in 2023. Gerber requested the salaries for everyone in the finance department. Blitch stated the salaries are split among the funds. Dawsey-Smith asked if it was split with the utilities. Blitch confirmed. Gerber asked if that means the salaries are actually higher than what she sees in this fund and requested the salary information with the splits. Blitch asked if she was okay with the information in a follow up email. Gerber stated she was and requested it to be sent to everyone on the committee.
- u. Insurance/Risk Management** – No comments.
- v. Emergency Preparedness** – No comments.
- w. Elections** – Stone inquired whether the election workers would receive a raise since it's hard to get people to work the elections. Dawsey-Smith stated she's not sure there is an increase in wages but that the amount is more because there are more elections this year. She also noted that the transfers are fairly consistent so there isn't such a shock on the bigger election years as it builds reserves and then draws it down.
- x. Transfers** – Stone inquired about the 27<sup>th</sup> payroll transfer. Blitch explained that the fund was no longer needed since we are cash accounting and a transfer was made to close it out.
- y. Economic Development** – Dawsey-Smith asked for confirmation that there was a change in status from part time to full time for the admin assistant. Blitch confirmed.
- z. TID 4** – Dawsey-Smith asked if we anticipate the transfer out for admin costs to continue through 2026 and what the cap is. Blitch stated she would look into this.
- aa. TID 10** – Stone asked if the amounts shown were wishful thinking or if there was something being built. Dawsey-Smith noted that something was being built. Gerber stated the contractor costs were in 2025 so something must be being built and Dawsey-Smith stated it was something Council had already approved.

**bb. TID 11** – No comments.

**cc. TID 12** – Stone stated his concern about budgeting without having projects because it is difficult for downtown businesses to be successful.

**dd. TID 13** – Stone asked if the transfer out to the water utility was for the water tower.

Dawsey-Smith responded that there are portions of the water tower and Vanderlip project that the TIDs are covering. Marquardt stated it was only the water tower since the Vanderlip project hadn't been completed yet.

**ee. TID 14** – No comment.

**ff. CIP** – Blitch explained that Ehler's ran two separate scenarios for the borrowing of the library and noted that tax years 2029 and 2030 would have considerable increases. Stone stated that it looks to almost double and asked if we could have Ehler's use \$200,000 for the average property value instead of the \$400,000. Blitch stated that comparing whether to borrow in 2024 versus 2025 wouldn't be a significant difference. Stone noted that the \$7.5 million for the DPW garage significantly impacts the borrowing and wondered if there would be a way it could be scaled back or if we could delay something. Gerber stated the big item was the DPW garage. Dawsey-Smith noted that it's a future item and will be something that is discussed and that it's something he can request as a future agenda item. Stone inquired if the budget can be passed without passing all of the projects on the CIP list. Dawsey-Smith stated that they are only approving the items for 2024-2025 at this time. Gerber asked if they approve it does that mean it approved the library. Dawsey-Smith confirmed and noted that they are only giving a recommendation to the Council and they will either approve it or remove it. Gerber asked if we could confirm what the \$100,000 and the \$110,000 shown for the lakes is for. Blitch stated she would follow up with an answer. Gerber requested that the library come off as a discussion item for the Common Council. Stone inquired whether Walworth Ave. is being done in 2025 was due to funding. Marquardt responded that the DOT sets the year for those projects. Gerber asked if they needed to recommend scenario 1 or 2. Dawsey-Smith responded they would present it to Council as it is and the only reason to delay borrowing would be if there was a high level of certainty that interest rates would go down. Geber stated her concern for the upcoming lakes projects and the potential costs associated and the changes in the funding for the Aquatics Center. Dawsey-Smith stated she would like to know the impact on the City's credit rating would be if we waited to borrow. Gerber stated that if it's between the lakes and the library she would prefer to spend the money on the lakes. Dawsey-Smith stated they already have \$3 million in donations for the library. Gerber responded that she wasn't suggesting putting it off indefinitely but waiting to see what the lakes cost first.

**gg. Debt Service** – No comments.

**hh. Capital Project Fund 450** – Gerber inquired whether the \$125,000 was for the dredging of the lakes. Blitch confirmed. Dawsey-Smith noted the roof replacement for the municipal building was on Ehler's list but wasn't reflected in the budget and asked to look into that.

### **3. 2024 Budget Recommendation**

Chairperson Dawsey-Smith recommended the 2024 budget to Council. Gerber seconded.

Yes: Dawsey-Smith, Gerber, Stone

No: None

**4. Future Agenda Items**

- Starin Water Tower
- Employee bonus update
- Compensation study update
- Updated Financials

**5. Discussion of Next Meeting Date**

October 24, 2023 at 4:30pm.

**6. Adjournment**

Gerber moved, Stone seconded adjournment. Motion carried on unanimous voice vote. Meeting adjourned at 7:03 pm.

Respectfully submitted,

Rachelle Blitch

Director of Finance and Administrative Services.