

Town of Menasha Board of Supervisors Special Meeting - Budget Workshop
Municipal Complex - Assembly Room - Friday, September 19, 2008

Minutes

1. CALL TO ORDER

Town Chair Arden Tews called the Special Meeting to order at 7:30 a.m. Present were Supervisors Gerhart, Hanson, Ziegler, Youngquist, Clerk Backman, Administrator Sturgell, Dir. of Finance Piergrossi, Dir. of Parks & Rec. Kading, Dep. Fire Chief Phillips, Police Chief McCants, Fire Chief Kiesow, Street Superintendent Gallow, Bldg. Inspector Jencks, Barb Knaack, Paul Eisen, Dale McNamee, Jay Schroeder.

2. OVERVIEW OF THE 2009 BUDGET

Director Piergrossi gave a PowerPoint presentation and described the budget process including priorities, constraints with levy limits, deliberation, and the public hearing of the townspeople to approve the 2009 budget usually held in November. Discussed were total taxes paid by the school districts, the town's assessed value and tax rate of 2008 compared to the new estimated assessed rate for 2009 of \$4.972 and equalized tax rate, \$4.967 showing a 1.32% change. Director Piergrossi emphasized that these rates were just estimates and could change. Comparison of equalized tax rates of 2007 were shown with Town of Grand Chute being lowest and Town of Menasha second lowest. Pie charts showed the 2009 proposed revenue and expenditure percentages in the general fund, as well as the cost of services broken down by departments. Director Piergrossi explained the various types of funds and what they are used for, the G.O. Debt vs. Capacity, undesignated general fund balance which is currently 15.17% and estimated in 2009 to be 13.59%, and levy limits. She stated we may possibly use fund balance this year due to increases in fuel, street lighting, salt & chips, and costs for health insurance.

Director Piergrossi reported, after having a conversation with WE Energies, there will be an increase of about 30% in natural gas for next year. Some other highlights affecting the 2009 budget; no park or open space funds budgeted; highway aids are less; no new personnel hired, will not fill the vacant part-time finance clerk position, possibly increase seasonal employees in the Finance Dept., and reduction of hours for the Community Development intern. The AFSCME and WPPA contracts have not been negotiated, so wages for these employees still need to be determined. Having one more work day than last year due to the way the calendar falls, has affected payroll. Some other things done to make the budget balance were to use approximately \$80,000 fund balance to offset operations, not fund \$96,500 in the vehicle replacement fund, and move the Fire Dept. ladder truck to borrowing to reduce the equipment replacement fund by \$58,500. Administrator Sturgell explained by pulling out the depreciation of certain items in the proposed capital replacement schedule totaling about \$96,500., it bumps the expenditures for those items for one more year. He further stated that we're not properly funding our street projects right now and the Town should look to improve funding to the resurfacing, crack seal and chip seal projects. Administrator Sturgell stated the board may want to consider realigning the tax rate next year and conduct a levy limit override referendum. Staffing changes were discussed. Administrator Sturgell confirmed changes the prior Administrator had already made before coming aboard such as eliminating one street employee, reducing the deputy clerk from full to part-time, eliminating a part-time finance clerk, reduction in hours for the park secretary, and eliminating a crossing guard, as some.

Supervisor Youngquist does not want us to defer the funding of depreciation; he stated we should be able to use it to operate properly. Director Piergrossi feels the Town should completely fund the deficit with fund balance. She stated if our revenues are lower than projected for 2009, the money would stay in the general fund. Normally, fund balance is used only for one time purchases, not to offset operations; however, it can be used in economic down times, just as in good economic conditions when money goes back into fund balance. Chairman Tews asked Director Piergrossi whether the fund balance dropping approximately 12% would affect the Town's borrowing, and she said no, but would double check this.

Chairman Tews stated that years ago before State revenue cuts were in place the Town was not aware the 2% shortfall was coming and realizes the employee cuts and increases the Town has seen in purchasing electricity, salt, oil and other items as well. Administrator Sturgell summarized by saying there are tough decisions for the future; we can't continually dip into savings so we must realign the tax rate or begin cutting services.

Town residents stated they liked the previous comment about the vehicle replacement fund; asked whether the Finance Director had assumptions on growth income; asked about fund balance, and if we are assuming interest growth. Other comments were on economy growth/and potential financial collapse in our economy; felt we should be looking at levy limit increases 2 to 3 years down the road, and resetting the Town levy sooner rather than later.

After a 10 minute break, at 8:35 a.m., the Board reconvened for the presentation of the Police Department budget.

3. PRESENTATION OF DEPARTMENTAL BUDGETS

POLICE DEPARTMENT

Some major changes noted were the salary overtime; the hiring of a new officer; WPPA contract was not in the budget; a 10% wage budget reduction by Communication technicians and police officers amounting to \$6,820 plus benefits; decrease in crossing guard hours; and the vehicle maintenance account increased next year based on a history of problems with the squads. The request for an additional squad was cut and instead suggested the Police Dept. be allowed to keep one squad longer into the year in the case of a vehicle shortage if one is in the shop. Instead of the Crown Victoria vehicles, the decision was made to try switching to Chevy Impalas with a two-year rotation on them; reasons being the Victorias had transmissions fail and are harder on gas usage. When asked by a resident about the consideration of switching to Impalas and putting officers in dangerous situations in those vehicles, Chief McCants stated we are no longer an urban area and our financial situation has made a difference which caused him to begin looking at trying a different vehicle. Chief McCants hopes to realize cost savings in the smaller vehicles and easier maneuverability in the winter snow.

A salvage vehicle was suggested, and both Administrator Sturgell and Director Piergrossi stated this was discussed but would rather see extended usage keeping the new vehicles longer. Supervisor Gerhart had a real concern with cutting a squad, but Director Piergrossi considered that the less time a vehicle was in for repairs, would mean less time needed for an additional vehicle. The Ford Expedition now in use was discussed and it was suggested this could possibly be an extra vehicle to the Department. Various smaller items were questioned and answered by Board members, including a discussion about the Fox Valley Humane Society and high fees we're paying. Chief McCants explained reasons for not switching. Chief McCants further explained not all calls are successful with animals being claimed by their owner, which is the only time the Town would receive reimbursement for the drop off expense.

Supervisor Gerhart inquired about the increase in civil calls as compared to the decrease in fines collected. Supervisor Hanson requested the Finance Dept. create and submit to the Board a list of all requested out-of-state training by each department. Director Piergrossi agreed to put a list together.

For the record, a resident had asked about next year's capital projects and Director Piergrossi said they would be presented at a separate Special Meeting on October 3rd.

At 9:40 a.m., the Information Technology department budget was presented.

INFORMATION TECHNOLOGY

Director Piergrossi gave an overview of this department's budget which had an overall decrease of 15.62%. One change in the department this year was the addition of a half-time person whose work is split between the Town paying 80% and Utility 20%. The computer license/maintenance account was discussed with an increase shown of over 4% due to maintenance costs for software; an M.S. Office software upgrade which covers approximately 70 licenses; the addition of 'server virtualization' software which virtually reduces several servers down to maybe one or two. The software also assists in the event of a disaster wherein we would gain full recovery of our information. This is the very latest in technology with many municipalities now using it. Newly purchased software for personal property will assist the Assessors in having an electronic format which Network Administrator Plagenz explained the County now does require.

Network Administrator Plagenz next forewarned the Board of a possible upgrade at the County level in software used for the Fire Department's mobile data computers (MDCs). Should this occur, he may have to come back to the Board at a later date for the purchase of approximately five new MDCs. Board members requested that the replacements, of course, be delayed until we hear word on the decision from Winnebago County.

A resident suggested a kiosk in the Town's lobby for residents to pay bills on-line and Director Piergrossi explained the Town had been discussing this for some time. She explained the credit card companies have

certain rules and regulations which must be followed. Her goal is to have utility bill on-line payment up and running next year sometime which she hopes will alleviate some counter traffic in the Finance Department.

At 10:18 a.m., the Board and staff took a 10-minute break. At 10:28 a.m., the Street Department budget was presented.

STREET DEPARTMENT

An overview of this department was given by Director Piergrossi. Noted was the decrease in State highway aids; there was a 9% decrease in miscellaneous revenue with the reduction of Grand Chute using the Town's services for street sweeping; fuel increased dramatically, with an overall increase of almost 106% and the affect is only felt in the Street Department's budget. Another increase seen was salt & chips by almost 25%; the chip/crack sealing programs increased due to oil prices; the resurfacing account saw a decrease due to the help of leftover funds from last year which eased the cost.

Supervisor Youngquist commented that repairing our roads must be addressed because we can't ignore them. Board members agreed that even though costs have risen, the repairs cannot be delayed further or the situations worsen. Street Supt. Gallow will prepare a report for the Board based on the number of miles of roads, and cost for future repairs. Supervisor Youngquist stated he wants to continue adding to the capital equipment replacement fund.

Another increase seen was in street lighting by 24% which Director Piergrossi stated had been under budgeted. She is working with WE Energies to see if there are any possible future cost savings such as using solar lights or LED lights. Discussion ensued about light post styles in some subdivisions when a developer installs more decorative lighting and it is then billed back to property owners.

Chairman Tews asked questions about the site maintenance account and well-testing; commented on the loss of revenue from Grand Chute; rise in fuel and questioned the per gallon cost estimate used in calculating the budget. Board members asked that the projection be looked at again. Supervisor Hanson asked whether we can go back to Appleton Oil and re-bid it, and Street Supt. Gallow stated their department intends to obtain quotes every two weeks. Supervisor Ziegler requested a schedule for board members to see the fuel consumption percentages for each department's budget, and Street Supt. Gallow will assist to gather this information.

Resident Barb Knaack, Irish Road, liked the idea of attempting to get a reduction in fuel rates and suggested making telephone calls and more often, but Street Supt. Gallow stated he wants them locked in by quoting prices in writing, either by fax or e-mail.

Resident Jay Schroeder, N. Lake Street, felt the amount for fuel by his calculation was over budgeted by \$50-\$70,000.

Chairman Tews stated he would like the purchase of equipment in the capital equipment-other account on hold for now.

Supervisor Hanson asked various questions about items in the miscellaneous account. Supervisor Gerhart questioned costs in the professional services account. When asked whether fuel prices would affect the Town having the Santa Float, the answer was no. The float is now supported by community donations for purchasing the candy handed out; however, Board and staff felt it would be nice to receive additional donations from supporting businesses to maintain this event enjoyed by all age groups over the last dozen years.

MUNICIPAL COMPLEX

Director Piergrossi reviewed this budget. An increase has been seen in sewer and water costs; the repair/maintenance service account increased due to the computer maintenance agreement for the new digital phones installed; capital improvement building & land is down. Street Supt. Gallow discussed the need to upgrade the two day/night cameras at the brush site and the fuel depot explaining the need to be monitored 24 hours a day. Signs are posted but not always adhered to. Chairman Tews acknowledged the building repair & maintenance account as being very high which is caused by the HVAC system and we are looking at reducing the cost. Supervisor Hanson questioned the reason for overtime hours for the Town's custodian. Street Supt. Gallow stated it was necessary to come in and carpet clean in the evening hours. He explained, when asked whether an outside source could be looked at, he felt a Town employee must be maintained due to confidential areas of some departments and after-hour access issues. Street Supt. Gallow stated the custodian does use flex time to reduce the overtime hours accumulated.

GENERAL FUND

Some highlights noted were a postage increase; and rate change in the way the postal service has applied postage to various types of envelopes. In regard to the transfer to designated fund, and transfer to reserve fund, the undesignated fund balance is used toward this. With regard to the contingency fund, Director Piergrossi stated it may look as though the amount of \$170,000 is significant but it really is not; since the budget dollars are transferred from this account and the printouts show adjusted budget amounts, this is needed to negotiate contracts.

Hotel/motel taxes are now eliminated. In the natural gas account, Director Piergrossi explained she took the 2008 projection and added 30% to this amount for the coming year.

At 12:00 noon, the Board and staff took a lunch break. At 12:20 pm, the Clerk's budget was presented.

CLERK/ELECTION BUDGET

Director Piergrossi gave an overview of the Clerk's budget. She reviewed licenses and stated the potential of one reserve license issued next year. The Clerk has budgeted to attend the International Institute for Municipal Clerks conference in Chicago. Clerk Backman noted there would be sharing of the hotel room stay, and will pay mileage reimbursement back to another municipality for sharing the drive to the conference; therefore the town vehicle would not be used. Included in the operating supplies account is an amount to reimburse Winnebago County for eight memory cards which they pre-purchased for the Town's election machines. Postage was discussed and it was mentioned it may be higher than originally predicted due to the large amount of absentee applications coming in for the Presidential election.

In the capital equipment account, the amount of \$26,000 has been moved to the 2009 budget due to the State

not having yet approved new voting machines which would replace the four older machines.

Goals were discussed. Supervisor Hanson liked the idea of moving a polling location to the Fire Station. Board members discussed different issues such as utilizing the parking areas; and emergency vehicles exiting and entering the station. Clerk Backman assured the board there would be a walkthrough and detailed discussions with Fire Chief Kiesow for these issues to be worked out beforehand. Board members were told all voters affected would receive notification via postcard of a change in their polling place.

Supervisor Gerhart asked whether the goal of 2008 and 2009 for registering Town businesses was the same goal, and Clerk Backman clarified. She explained discussions would continue regarding registering our businesses, particularly now that software is in use which would track town businesses more effectively for the future. Administrator Sturgell acknowledged a setback for this project due to the number of businesses and limited number of employees to do data entry. Director Piergrossi added and Clerk Backman agreed that next year having just spring elections may be the time when the Clerk's office would be able to begin the task. One main reason for the Town to seek the registering of businesses is to assist the Fire and Police Departments with gathering current contact information should there be an emergency. Other reasons are to help promote their business, their location, products, provide website links through the Town's website, and offer complimentary advertising in The Bridge, amongst some of them.

Finally, Director Piergrossi explained her and Clerk Backman were looking for money in the budget for an extended warranty/help desk support for voting machines previously paid by County, and now required to be paid by the individual municipalities in the amount of approximately \$800. The election supplies account was reduced by \$400 which could be utilized for this purpose, and will take another look at the budget.

4. MOTION TO RECONVENE TO SEPTEMBER 29, 2008 AT 4:00 P.M.

At 12:57 pm, MOTION: Hanson/Youngquist to reconvene to September 29, 2008 at 4:00 pm. Motion carried unanimously.

Respectfully submitted,

Karen Backman, Town Clerk