

**Town of Menasha Board of Supervisors Special Meeting - Budget Workshop
Municipal Complex - Assembly Room - Friday, September 18, 2009**

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, Administrator Sturgell, Dir. of Finance Piergrossi, and Deputy Clerk Look. Others present for portions of the workshop included: Police Chief McCants, Street Superintendent Gallow, Community Development Director Dearborn, Fire Chief Kiesow, Public Fire Safety & Life Educator/Fire Dept. Associate Jentz, Deputy Fire Chief Phillips, Lieutenant Seaver, Detective Jahsman, Police Admin. Coordinator Hales, Network Administrator Plagenz, HR Coordinator Burrill, Assistant Street Superintendent Bauer, Associate Planner Hull, and Post Crescent Reporter Mike King.

2. OVERVIEW OF THE 2010 BUDGET

Chairman Tews stated Administrator Sturgell and Finance Director Piergrossi have worked hard to submit a balanced budget to the board.

Fin. Director Piergrossi stated Department Heads submitted very lean budgets this year which primarily maintains existing service levels and very little capital expenditures. The state of Wisconsin has limited the allowable increase to the Town levy to 3%, plus debt service cost changes. This budget stayed under the 3% available levy increase and did not use any fund balance. The Finance Director is aware of changes that need to be made to the presented budget. For example, there is \$8,000 in additional shared revenue that is not currently in the budget and she will make the necessary adjustments. Overall in 2010 the Town will see a reduction in the amount of shared revenue and state highway aids and increases in health insurance and Wisconsin Retirement contributions. Personnel changes include one additional full-time employee whose time will be split between Street Dept. and Stormwater Utility and one additional Stormwater Utility seasonal employee. Budget assumptions included amounts paid for dental insurance, short term disability, debt service, and the union contract since the AFSCME contract has not been settled yet.

Other major items include a transfer of \$100,000 for the Stormwater Utility to the General Fund to repay prior expenses. Increases in the budget include: salt & chips increased by 46%/ton, 7.5% for natural gas & electricity, and water and sewer accounts due to new stormwater fees (for example parks will have to pay \$9,100 in stormwater fees in 2010). All vehicle replacement requests were closely analyzed. A couple of departments would like to purchase vehicles early to avoid costs associated with the 2010 emissions regulations.

Fin. Dir. Piergrossi reviewed the Summary Tab of the budget. The Town's equalized value has decreased approximately \$38 million. The actual assessed value rate won't be available until late October; this dollar amount has a significant impact on the tax rate. Based on an assumption of \$1,441,031,248 of total assessed value, the estimated municipal assessed tax rate would increase to \$5.16 per \$1,000 of assessed value, for a 4.24% increase. Fin. Dir. Piergrossi explained during the budgeting process it is better to look at revenues, expenditures and levy rate, rather than tax rate. Supervisor Youngquist commented in recent meetings state auditors have reported an expected 10% decrease to manufacturing assessed value.

Admin. Sturgell commented the 2009 budget used \$360,000 of undesignated fund balance which we will now be making up on the tax levy. Expenditures have decreased this year, but some of those cost savings aren't being realized in the overall budget because of increases in fees in other areas. For example, the garbage rate could have decreased significantly due to a new contract and the switch to automated collection, however due to an increase of over 200% in tipping fees, the savings were negated.

Fin. Dir. Piergrossi explained based on the budget being presented; a \$150,000 home would have a total tax increase of \$31.50 for the Town's portion. Revenues in a number of funds have decreased which has correlated in a decrease in expenditures by 3.22%. However Debt Service expenditures increased 6.08% which resulted in an overall decrease of general operating expenditures of 1.59%. Some decreases are due to the transfer of costs to the Stormwater Utility.

Chairman Tews explained as the board reviews the budget some things will be changed and some things will be set aside and reviewed at a later time. The board will look at the entire budget before making any final cuts. Supervisor Youngquist asked for a summary of any changes made to the schedule of life expectancy for items on the Capital Replacement Schedule. Fin. Dir. Piergrossi indicated most of these are highlighted in the individual department budgets.

3. PRESENTATION OF DEPARTMENTAL BUDGETS

POLICE DEPARTMENT

Fin. Dir. Piergrossi stated there has been an overall 2.12% expenditure increase, and a 3.27% increase to the levy offset. The main reason for this is a decrease in the undesignated revenues, whereas the 2009 budget used fund balance to offset this category. Program revenues are projected to increase 4.12%. Dir. Piergrossi explained increases to the following categories: professional services, training, operating supplies, investigative expenses, and capital purchases.

Police Chief McCants answered board member's questions in the following categories:

- Investigative Expenses (03-92). Increase is mainly for Cellebrite Forensic Telephone Software, the cost of which is split with the City of Neenah. This software decreases the amount of time to retrieve cell phone data from days to hours which can be critical in an investigation.
- Professional Services/Contracted (02-10). \$1,000 increase is for a type of proactive employee assistance program designed specifically for police officers. It is completely confidential at a cost of \$8.00/hour.
- Capital Replacement Fund - \$21,000 for purchase of six new VRMs, devices which allow laptops in the squad to communicate with Winnebago County. The existing VRMS are becoming obsolete and will be phased out by 2012 when County switches to a new communication system.

Supervisors questioned the ramifications to officers if the VRMs were not purchased this year and if there is money in the budget to repair VRMs. It was explained if an existing VRM breaks down there would only be verbal communication options. The VRMs allow officers to run license plates, etc. without calling County. Lack of a VRM would be a burden on County dispatch and slow down the process of getting information. Because the existing VRMs are obsolete, replacements of this model may be unavailable for purchase. There are 3 repairs at \$165 each in the budget. Fin. Dir. Piergrossi commented that a budget amendment could be done if necessary.

Supervisor Youngquist requested the VRMs be placed on hold for later review and if the ancillary equipment account in the capital replacement schedule could be used for repairs of VRMs; Chief McCants agreed.

- Clothing/Uniform (03-46) Supv. Youngquist asked about the changes in the union contract to clothing and uniforms. Chief McCants reported he is still working on this project and cost savings should be realized in the 2010 budget.
- Capital Replacement Fund (Vehicle Replacement) - One marked squad will be replaced, potentially with a Chevy Impala. One of two staff vehicles will be replaced in 2010. Chief McCants answered questions regarding annual mileage and repairs of vehicles.

Chief McCants also answered questions regarding overtime, minimum staffing levels, and the police union contract. The retirement of Lt. Jahsman and promotion of Officer Cutler will leave the Police Dept. short one officer for the rest of 2009. Chairman Tews asked if federal stimulus funds are available for hiring an officer. Chief McCants said a request was submitted, but the request has been put on hold by the federal government.

Supv. Gerhart asked about video cameras in the squads. Chief McCants responded with this 2010 purchase, all 5 squads will have cameras.

At 8:57 a.m. a break was taken. At 9:05 a.m. the workshop resumed with the presentation of the Street Dept. budget.

STREET DEPARTMENT

Fin. Dir. Piergrossi commented this department has been heavily affected by the development of the Stormwater Utility. For example, many of the Street Dept. expenditures were for stormwater purposes and

these costs have been moved to the Stormwater Utility. Overall there has been a decrease of 11.12% in expenditures and a 14.93% decrease to the levy offset. Revenue will decrease due to state highway aid reductions and Grand Chute will no longer be renting our street sweeper. Also highlighted were changes in gasoline/fuel, resurfacing, salt & chips, capital equipment and the fixed Routed Paratransit.

Street Supt. Gallow commented on the increase in salt & chips; and explained this winter the Street Dept. is going to apply 25% less salt by wetting the salt before applying. He also explained why mixing the salt with sand is not done.

Fin. Dir. Piergrossi explained in the Capital Replacement Fund, all vehicles were reviewed and replacement years were adjusted, resulting in a decrease of \$11,540 or 5.86% for the annual funding. This year the 1998 tandem axle truck and the 1999 1-ton truck will be replaced. Supt. Gallow answered questions regarding maintenance and repair of these vehicles. New emissions standards in 2010 will increase the cost of the tandem axle truck by approximately \$8,000. Supt. Gallow would like to place the order for the tandem axle truck as soon as possible to take advantage of the lower costs. After discussion, the board authorized Supt. Gallow to place the order for the tandem axle truck now, with delivery to be after Jan. 1, 2010.

Fin. Dir. Piergrossi shared a spreadsheet of 2009 gas & fuel average price per gallon and commented on the assumption of increased fuel costs in the 2010 budget.

Supv. Gerhart discussed expenditures being shifted from individual departments to the Stormwater Utility and he requested verification of those amounts. Increases in department budgets should not be because some previous expenditures have now been moved to Stormwater Utility. Supt. Gallow responded that employee timesheets were a good indicator of how much time employees were already spending on stormwater activities. The budgets for Street Dept. and Stormwater Utility were largely based on these timesheets. Fin. Dir. Piergrossi reminded the Board of discussions at the spring workshop regarding revenues and expenditures of the Stormwater Utility. The additional stormwater revenue was to keep the Town from going into debt; not to add additional expenditures. Fin. Dir. Piergrossi will provide a list of expenditures that shifted to the Stormwater Utility.

Admin. Sturgell explained when the 2009 budget was developed, it was realized the 2010 budget would require a large reduction of services or a tax levy override referendum. By implementing the Stormwater Utility, and its associated revenues, some of the pressure was taken off the tax levy so these steps would not be necessary.

Also discussed were Street Dept. overtime, lighting costs, and engineering costs.

The purchase of a 4-ton asphalt recycling patcher for \$40,000 was also discussed. Supv. Hanson would like this expenditure split evenly between Street Dept. and Stormwater Utility. The Utility District will use this machine as well and be billed for hours used.

Supv. Youngquist requested a copy of vehicle summaries and a preliminary listing of streets for reconstruction.

MUNICIPAL COMPLEX

Fin. Dir Piergrossi explained there is an increase of 2.45% in expenditures. The solar panels have decreased the amount of electrical usage, but there is a projected rate increase from WE Energies. Sewer/Water (02-23) increased because of new stormwater fees. Building Repair/Maintenance (02-41) was increased by \$10,000 for replacement of heat exchangers. Capital Equipment increased by \$6,500 to replace rain gutters.

Discussed in further detail was the replacement of the rain gutters. An ice dam occurred earlier this year and insurance covered the repair, but any future problems would not be covered. The board agreed the work should be done this year and a budget amendment should be prepared for the Oct. 12 Town Board meeting.

Admin. Sturgell also detailed the status of the heat exchangers. Inspection revealed several heat exchangers were cracked. The replacements can take place over time, but it would be more expensive than replacing them all at once. Some of the exchangers must be replaced this year in order for the park garage to have heat this winter. The cost to replace all of the heat exchangers at once is \$14,740 which the board agreed was the

most economical option and should be done in 2009. A budget amendment will be prepared for the Oct. 12 board meeting. The amount of the generator in the Capital Improvement Building & Land (8-19) should be moved to Building Repair & Maintenance (2-41).

Hourly OT/Gen Union (01-25) was cut by \$1,000 to allow for only 40 hours of overtime.

At 11:21 a.m. a break was taken and the workshop reconvened at 11:30 a.m.

COMMUNITY DEVELOPMENT

There was a 13.30% decrease in expenditures and a 5.67% increase to the levy offset. Some expenditures have been transferred to stormwater. There is also a decrease of 28.97% of direct program revenues. 43.44% of this budget is funded by program revenues, therefore due to the decrease in economic activity all program costs are not being covered by fees. This budget also assumes the Town will have Planning and Zoning authority for a quarter of 2010.

Comm. Dev. Director Dearborn commented that a large amount of staff time has been spent on developing the Stormwater Utility this past year. The decrease in economic development has affected the amount of time required for site plan reviews and other activities which allowed more time for work on stormwater. However he expressed concern on long term staffing issues once site-plan review starts to increase again. The intern position has been used to augment current work load rather than work on projects which is the intent of the internship.

Comm. Dev. Dir. Dearborn answered questions regarding Town Planning and Zoning Authority. Once authority has been turned over to the Town, additional personnel time will be minimal since the Town is already doing the staff work and reviews. There will be an increase to Legal Display Ad account (03-25) as the Town will now do the publishing of projects in the newspaper. In addition an adjustable fee schedule is being considered and those estimates for fees were used in the 2010 budget.

Dir. Dearborn also answered questions regarding overtime and personnel. Dir. Dearborn felt a code enforcement officer would probably be the next step in adding additional personnel. Street Dept. Gallow indicated hiring a Town engineer may be a consideration in the future.

STORMWATER UTILITY

Fin. Dir. Piergrossi explained since this is the first year of the Stormwater Utility expenditures and revenues are estimates. The Stormwater Utility activities and associated expenditures were described. There are no borrowing amounts in this budget, but any borrowing would have off-setting revenues, so tax rate would not be affected. It is important that a contingency fund balance be set up for the Stormwater Utility.

Street. Supt. Gallow answered questions regarding the purchase of a pick-up for stormwater purposes and a confined space van. After discussion the purchase of the pick-up truck was set aside for further review. Chairman Tews requested additional estimates on the cost of a confined space van. Supt. Gallow explained the state mandated regulations and maintenance of stormwater ponds and the necessity of having the equipment to do the maintenance safely. He will try to bring the Utility Dept.'s confined space van to a meeting for board members to see.

After discussion, \$4,238 budgeted for ice rescue equipment was set aside for further review.

Fin. Dir Piergrossi answered questions regarding the purchase of a folding machine and it was determined purchase was more economical than renting the machine.

4. MOTION TO RECONVENE TO SEPTEMBER 21, 2009 AT 5:00 P.M.

At 12:28 pm, MOTION: Ziegler/Hanson to reconvene to September 21, 2009 at 5:00 pm. Motion carried unanimously.

Respectfully submitted,

Annette Look, Deputy Clerk