

**Town of Menasha Board of Supervisors Special Meeting - Budget Workshop
Municipal Complex - Assembly Room - Friday, October 19, 2009**

Minutes

1. Call to Order

Chairman Tews called the special meeting to order at 5:00 p.m. Board members and staff present was Chair Tews, Supervisors Gerhart, Hanson, Ziegler, Youngquist, Clerk Backman, Administrator Sturgell, Finance Dir. Piergrossi, Com. Dev. Dir. Dearborn, Fire Chief Kiesow, Dep. Fire Chief Phillips, Publ. Sfty. Educator Jentz, Police Chief McCants, Assessor Eiberger, Street Supt. Gallow, Network Adm. Plagenz, Wastewater Supt. Laabs, Park & Rec. Dir. Kading, Park Commissioners Mike Lynch and Mike Dillon, Fire Trg. Off. Sweeney, Firefighters; Mike Negro, Mark Hesselman, Jeremy Short, Steve Malsavage, Rob Glasel. Others: Paul Eisen, Kate McQuillan

2. Budget Workshop

This budget workshop contained final decisions by the Board prior to the public hearing and budget meetings which will be held on November 17, 2009.

Fin. Dir. Piergrossi gave comparisons of Oct. 2009 sewer rates, water rates, and both sewer/water rates combined for the surrounding municipalities. She explained the Grand Chute-Menasha West Sewerage Treatment facility would be raising rates 19% this year and next year, and presented a cost analysis giving scenarios to cover the increase. Various proposed rate increase percentages would begin in 2010 and go through 2013 using dates beginning on either Jan. 1 or July 1, and showed the total cash-on-hand used. Based upon previous requests by the Board, Fin. Dir. Piergrossi presented the various sewer rate increase assumptions and Board members weighed in on their choices. The majority agreed to the following beginning on January 1, 2009:

An assumed sewer rate increase of: 5.00% in 2010, 7.50% in 2011, 7.50% in 2012, and 10.00% in 2013.

Total cash-on-hand used would be: \$159,172 (\$3,652,315 Total Depreciation)

Fin. Dir. Piergrossi reminded everyone this was a sewer rate increase only.

Next, Adm. Sturgell answered questions some Board members had of the impact on the levy due to the formation of the Stormwater Utility. He put together a compilation (attached) of figures showing use of the undesignated fund balance, revenue and expenditure increases and decreases, and transfers to Stormwater Utility (Expenditures attached), which was explained in detail. He gave estimates using \$1.4 billion of assessed value (not including manufacturing) using the full 3% levy limit, to arrive at an estimated tax rate of 4.54%. Adm. Sturgell stated we are now \$120,000 under the levy limit without any Town Board changes.

Supv. Youngquist commented and made this comparison; stormwater utility fees are lower than if the town were to have to raise taxes - without the shifting of funds over to the Stormwater Utility, taxes would be much higher. In 2010, the Town of Menasha has not had to make any cuts to departmental staff and is not reducing town services, but we do have a modest tax increase.

Fin. Dir. Piergrossi reviewed the General Fund balance and assumptions of transferring funds to the Stormwater Utility; she noted a decrease in 20% of working capital; and stated fund balances go higher due to the transfer to Stormwater Utility. Other items discussed included the Vehicle Replacement fund transfer (general fund object 855), slightly lower in 2010, the Contingency fund which decreased from the 2009 originally budgeted amount, and also the cost increases in medical insurance and WI Retirement. Chair Tews asked Fin. Dir. Piergrossi what our projected 2010 borrowing (G.O. Debt) would be, and she estimated \$17.5 million.

The Board then reviewed the undecided items put aside from previous Budget Workshops. When referring to a list (attached) of 2010 Budget Meeting Adjustments, the items under 'Approved Changes' for the General Fund (101), and Capital Projects Fund (401), were accepted as listed without discussion.

Fin. Dir. Piergrossi then moved directly to the "Bubble List" (pg. 2) and each item was discussed:

Capital Projects Fund (401)

• Cut Tree Removal & Tree Purchases, if cut add back in \$2,000 - (\$10,000): LEFT IN FOR 2010

Park Dir. Kading presented a handout, 'Proposed Urban Forestry Budget', included, which detailed the use of funds for tree maintenance. The Board seemed to appreciate having a visual breakdown of the related costs which they did not have earlier. The majority of Board members chose to leave the item in the budget.

- **Increase Professional Services Expenses for Potential Incorporation Fees - \$5,000:** IN FOR 2010
- **Cut New Full-Time Position for Street/Storm - (\$39,586):** LEFT IN FOR 2010
Street Supt. Gallow explained why a full-time position was needed and described the amount of work performed on a daily basis as well as the increased workload to maintain the detention ponds. Com. Dev. Dir. Dearborn stressed the importance of maintaining particular standards in the area of stormwater in order to maintain the town's MS4 Permit. Supt. Gallow stated a full-time position had been eliminated in the Street Dept. a couple of years earlier. Board members agreed with hiring a full-time person beginning on April 1, 2010 rather than January 1.
- **Move Pedestrian Crossings from (401) - (\$70,000):** LEFT IN FOR 2010, REDUCED TO \$40,000
Street Supt. Gallow felt the County would cost-share with the town, therefore the amount originally placed in the budget was reduced.

The next 3 items were requested to be moved to the General Fund:

- **Move Schildt Park Demolition from (401) - (\$28,300):** IN FOR 2010, MOVED TO G.F.
Chairman Tews was hopeful this site could be used for training by the Fire Dept. However, Chief Kiesow and Dir. Kading expressed safety and asbestos concerns. After determining it would be more costly to pay for site preparation to remove the asbestos for training, they budgeted for the home to be torn down. Police Chief McCants expressed concern with children getting hurt or a fire started and requested it be taken down.
- **Move Palisades Park Improvements from (401) - (\$21,600):** IN FOR 2010, MOVED TO G.F.
- **Move O'Hauser Pavillion Restoration from (401) - (\$48,000):** IN FOR 2010, MOVED TO G.F.
- **Cut Fritse Park Playground Equipment - (\$178,700):** LEFT IN FOR 2010
The Board commented they did not want the park to not have play equipment; however continue to raise donations.
- **Increase Fritse Park Donations & Decrease Borrowing (\$80,000) part of above:** NO INCREASE
- **Add Paving of Shoulder on Manitowoc Rd - [\$66,136 total, Jt. with City] - \$50,000:** LOWER TO \$40,000
Due to project being split with the City, lowered closer to half of the project's cost.
- **N. Lake Street Project Cost Change - \$126,677:** LEFT IN FOR 2010, UPDATE PROJECT AMOUNT
Discussion ensued after finding out the costs of this project were not accurate as presented in the budget (amount above). Adm. Sturgell will contact the engineering firm to gather more information. Chair Tews instructed the Finance Director to gather figures and bring back to the Board how much has been spent on engineering costs in the last three years. The project was left in however the costs are to be determined.

At 7:30 p.m., a 10-minute break was taken before resuming.

Equipment Replacement Fund (402)

- **Cut 6 VRMs - Police Dept. - (\$21,000):** TAKEN OUT OF 2010 BUDGET
- **Add Replacement of Pumper 41 - Fire Dept. - \$410,000:** ADD IN FOR 2010
Chief Kiesow stated he had brought the current fire truck and a new Pierce ladder truck and parked them side by side for the Board to actually compare the features and enhancements. The Board, firefighters present, and other staff proceeded to the street garage to view the trucks as Chief Kiesow explained the various options on the new ladder truck. Board members agreed to place the new fire truck in the budget.

Chief Kiesow stated it would take about six months to build a new truck and would prepare the current 1990 Pierce Arrow fire truck for selling.
- **Park Mower Replacement - \$21,500:** IN FOR 2010

Water Utility (611)

- **Cut Dump Truck - (\$99,833):** TAKEN OUT OF 2010 BUDGET
- **Increase Depreciation & Use Cash-on-Hand to Offset - \$167,657:** LEFT IN

At this point, the Board began discussing the East Shady Lane road reconstruction project and whether to move it to the following year versus completing the project in 2010. After discussing the number of water main breaks which have recently occurred and the fact that this is a main hub with a water main much larger than the streets' main this hub feeds into, the Board reconsidered. Chair Tews and a majority of the Board members agreed to leave the project in for next year, however with no borrowing. The water depreciation funds will be used to pay for this project.

Storm Utility (613)

- **Cut Ice Rescue Equipment - (\$4,238):** TAKEN OUT OF 2010 BUDGET
Fire Chief Kiesow stated most nearby municipalities already have this equipment in place mainly due to being in close proximity to the lakes, although Chief Kiesow agreed the equipment could be eliminated from the budget for the coming year.
- **Pickup Truck - (\$30,000):** REDUCED TO \$10,000 FOR PURCHASE OF USED 1-TON TRUCK FROM STREET DEPT.
The 1-ton pickup truck which is being replaced by the Street Dept in 2010 will be purchased by the Stormwater Utility therefore an amount of \$10,000 will replace the \$30,000 amount for a pickup truck in the Stormwater Utility budget.
- **Add Stead Drive Culverts (Manitowoc Road Project) - \$32,000:** ADDED BACK IN 2010
- **Independence Pond (2009 - \$170,000) - \$475,000:** LEFT IN FOR 2010
Adm. Sturgell explained with the loss of Northern Road Pond, there was the possibility of now using the 50% grant stimulus funding to design and construct Independence Pond in its place. The Board voted 4-1 (Supv. Hanson voted no) to leave it in the budget.
- **Stormwater Management Implementation - \$500,000:** LEFT IN, BUT REDUCED TO \$100,000
Adm. Sturgell explained he felt no need to leave the full amount previously budgeted, but requested \$100,000 be left in for any deficiency.
- **Add Stormwater Borrowing Carryover - \$738,162:** BASED ON CHANGES APPROVED TONIGHT, THE FINANCE DIRECTOR WILL REVISE THIS NUMBER. (It has been revised to \$1,608,022 to include the Clean Water Fund Loans and other prior storm borrowed amounts).
- **Move Wilson Street Project from 2011 to 2010 - \$125,000:** NO, LEAVE PROJECT IN 2011

After decisions on adjustments to the current budget, Fin. Dir. Piergrossi explained a new court case which ruled that municipalities must seek approval by the townspeople if borrowing for over ten years. Board and staff discussed the issue. She then reviewed the preliminary tax rate arrived at of \$5.15 using all the decided changes by the Board using the proposed assessed value for 2010 of \$1.44 million, which reflects an overall budget increase of 4.13%.

3. Adjourn

At 9:16 p.m., MOTION: Ziegler/Hanson to adjourn. Motion carried.

Respectfully submitted,

Karen Backman, Town Clerk

Note: *These minutes are not to be considered official until acted upon at an upcoming regular meeting, therefore, are subject to revision.*