

**Town of Menasha Board of Supervisors Special Meeting - Budget Workshop
Municipal Complex - Assembly Room
Friday, October 5, 2010 - 5:00 p.m.**

Minutes

1. Call to Order

Chairman Tews called the special meeting to order at 5:00 p.m., after reconvening from the October 1 budget workshop. Board members and staff present was Chairman Tews, Supervisors Gerhart, Hanson, Ziegler, and Youngquist, Clerk Karen Backman, Administrator Jeff Sturgell, Finance Dir. Myra Piergrossi, Com. Dev. Dir. George Dearborn, Dep. Fire Chief Susan Phillips, Police Chief Rod McCants, Dep. Assessor Lucas Telfer, Park & Rec. Dir. Mike Kading, Street Supt. Randy Gallow, Network Adm. Tim Plagenz, Wastewater Supt. Steve Laabs, Water Supt. Jeff Roth, Mun. Judge Len Kachinsky, Court Mgr. Susan Hermus, Rec. Sup. Amanda Geiser, Park Commissioners Lynch, Dillon, Voigt, Vandenberg; Lt. Tim Seaver, Lt. Rick Leneau, Div. Chief Trg. Off. Todd Sweeney, Fire/Public Safety Ed. Pam Jentz, Firefighters; Negro, Hesselman, Malsavage, Wiese, Malsavage, Wegener, Wilke, Forbes, Short, Glasel, Lt. Ed Wiese, Plan Comm. Kris Koeppe. Others: Phil Kordus, Steven Meylink, Melvin Schultz, Melissa Kowalski, Wendy Seegers, Luann Kiesow, Mark Staeven.

2. Budget Workshop

Water Utility

Finance Director Piergrossi gave an overview of the utility; there was an overall 16.49% decrease including capital, debt and depreciation; without capital, debt and depreciation there is a 6.37% increase. Meter sales revenue projects were lower by \$193,000 less than budgeted for this year; Director Piergrossi used year-end estimates and increased it by 6%; with decreased consumption, revenue is decreasing; interest income has decreased; General Union and Teamsters contracts are not settled for next year; payroll overtime decreased by 120 hours, call-ins by 127 hours; seasonal laborer was cut; budget increase in purchased water due to City of Menasha's rate increase of 20%; meter maintenance was increased due to meters requiring replacement; there was no depreciation funded, and cash-on-hand of \$15,000 was used to offset this budget; Capital budget includes \$36,000 for installing new water meters; the Wilson Avenue/Honey Lou Court project left to complete, with the Gardner's Row project removed due to completing it this year. Water Utilities cash flow is down and Director Piergrossi explained how debt service has increased and will continue in 2011 and 2012. Director Piergrossi recommended considering a PSC rate increase, which can be done worked on next year, or cut its operations in some fashion; several cuts were made in the budget such as delaying maintenance on Plant 2 another year, and others; the Wilson Avenue project was budgeted to come from depreciation funds without borrowing; fund balance will be used over the next several years unless some changes occur, and will decrease quickly.

The Commission and staff discussed the Depreciation/Amortization Expenditure account and fund balance extensively, as well as revenues and projections used to get this budget to balance. Administrator Sturgell outlined four issues that affected the Water Utility; a decrease of \$70,000 in interest revenue, the rise in purchased water costs of \$171,000 but offset with increased meter sales of \$40,000 which leaves \$131,000, the debt service payment increased \$121,000, and the PILOT (Payment in Lieu of Taxes) increased \$40,000.

Decreased interest revenue \$15,000 based on year-end projections (majority vote). Director Piergrossi discussed having a \$450,000 shortfall in this budget; she encouraged the Commission to increase rates and stated she would evaluate it and bring the information back at a later date. The Board asked to see comparisons of other municipalities. In 2009, the Town of Menasha was 2nd lowest with a 3.44 volume rate. Supervisor Gerhart supported moderate increases annually rather than surprising residents with one high increase all at once. When Chairman Tews asked when to do the proposed rate study, Director Piergrossi suggested starting in June, otherwise the first of the year. Director Piergrossi stated if there was interest from the Board, she would seek Requests for Proposals. Chair Tews asked to bring this topic back to the 2nd regular Utility District meeting of October.

Administrator Sturgell discussed some items left to be decided by the Board. In Revenues:
Equipment Replacement Fund - Street Department is over-funded - take \$15,000 less over several (12-15) years; (majority vote)

Community Development Director and Associate Planner percentage salary splits (15% for Stormwater currently) - change to 25% for cost savings of \$17,028; (majority vote)

Non-Represented Health Insurance cost - Supervisor Youngquist suggested decreasing the percentage non-represented employees pay for Health Insurance (from 90%), to 85%; proposed \$24,396; (majority vote)

Regarding Stormwater Utility, water rescue equipment was discussed for the Fire Department to perform rescues. Dep. Fire Chief Phillips answered questions about training equipment needed. Discussed was funds which were moved from Stormwater to the General Fund, and offset expenses with Public Protection funds. (Majority vote)

Finance Director Piergrossi then explained the Board would discuss a list of items brought back from previous meetings for decisions.

- Building Permits; too conservative, Board asked to increase \$5,000 (Votes 3-2)
- The Board discussed PILOTs (Payment in Lieu of Taxes) program; the amounts/tax rate/increase in sewer rate required. The finance director discussed the effects of adding PILOTs to the Wastewater and the Stormwater Utility. The Wastewater Utility is currently not funded at the level it should be to pay for the increased costs of the treatment plant expenses. In the proposed 2011 budget, depreciation is not being funded and \$19,248 of cash-on-hand is already being used. Our fund balance in the wastewater was only \$756,857 as of 12/31/09, and \$31,767 was budgeted to be used from these funds in 2010. To fund a PILOT, the finance director stated that the sewer rates would need to be increased higher than the already approved 7.5% increase in 2011. Her calculations for \$25,000 in PILOT costs would mean an additional 0.85% rate increase would be needed, and a 1.70% rate increase for \$50,000 in PILOT costs.

The 2011 Stormwater Utility budget can support a PILOT by removing the depreciation funding and possibly lowering the contingency funding. However, the Stormwater Utility needs to create fund balance for operations. Additionally, the stormwater debt service increases approximately \$160,000 for the 2012 budget. With funding a PILOT, and the increase in debt service, the Stormwater Utility will probably need to increase its rate in 2012.

Community Development

- Cut intern position: Director Dearborn explained the benefits of the position and the Per Capita grant money used to offset the cost of wages. He stated if the intern position was eliminated, he would have to seek specialized assistance for this department. (Intern position was later cut).
- Removed the following items- cut Assessor as backup in Building Inspector's accounts (Subscription, Miles/Meals/Lodging, and Training). (Votes 5-0)

Assessor

- Discussed Assistant Assessor position; proposed adding a part-time secretary. Cut full-time Asst. Assessor, added a part-time secretary shared 50/50 with Building Department, and cut the Community Development intern. (Votes 5-0)
- Cut to 1 employee for Subscriptions, Miles/Meals/Lodging, and Training for that employee. (Votes 5-0)
- Asst. Assessor Telfer requested to leave \$1-\$2,000 contingency of \$8,000 left annually in the budget for a reassessment, for temporary help in the Assessor's Department, as needed.

Finance Department

- Overtime hours were reviewed; With the Accounts Manager retiring, Director Piergrossi described the increased workload in the Finance Department and reasons for budgeting 100 hours of overtime (cut from 138 hrs.). The Board agreed. (Votes 5-0)

Fire Department

- Discussed firefighters; cut training and service hours; Dep. Fire Chief Phillips gave reasons why training is so important. The Board expressed concern with projections being over budget by more than \$16,000. Several firefighters commented positively about the need for public education, citing many other duties unseen that are volunteered, including maintenance on department vehicles.

Ways to reduce costs were discussed such as single station dispatching versus two station response. Deputy Chief Phillips asked for a percentage to allocate money where they want instead of specific dollars reduced. Some Board members feel that the overall budget is out of line, and suggested cutting back on public education/taking trucks out to neighborhood parties, things of this nature. Public Safety Educator Pam Jentz stated there were only a few parties in the last several years and gave reasons why this was a valid opportunity for their department. She justified attendance to parties with several examples of how their department educates families on resolving types of safety issues in and around the home.

- Staff and the Board discussed asphaltting the parking lot at Fire Station #40 and the amount of use it receives; budget was increased by \$4,000 to \$9,000. (Majority vote)

A break was taken from 7:05 - 7:25 p.m.

Information Technology

Administrator Sturgell discussed that smart phones were being cut from the budget; Lieutenant Scott Blashka and Network Adm. Tim Plagenz explained the differences of smart phones and air cards and what they can do, and how air cards would benefit the officers by placing them in every squad, versus smart phones given only to lieutenants. The Town Board agreed with having only air cards (Votes 4-1).

Cutting the Municipal Court software from the budget was discussed. IT and Court staff described its effective benefits of reducing labor time and paper costs. It was left in the budget. (Votes 5-0)

Park and Recreation

Regarding cutting the Fritsch Park drainage plan, Parks & Rec. Dir. Mike Kading explained the need for expertise by engineers to complete the project; the Board and staff reviewed different options. Director Kading was asked about utilizing Street Department laborers to paint Community Center rooms (more cost-effective). Director Kading gave reasons for hiring a contractor including time constraints and being low staffed in the Street and Park departments. The Board decided (3-2) to remove \$1,200 from the budget and use Town employees to paint the Community Center rooms.

The Board discussed the Palisades Park project and whether to remove the project or move it to borrowing. Supervisor Gerhart proposed choosing one rather than both park projects, and felt O'Hauser Park more important than Palisades Park. Supervisor Hanson agreed with doing just one park. Supervisor Ziegler suggested splitting both projects, taking half of the funds, and doing portions of both projects at one time.

Supervisor Youngquist suggested moving \$106,000 from the levy, to borrowing. He commented that the small increase on a residents' tax bill is not much money, compared to its huge benefits. He stated, as a resident, he is glad to support park improvements. (Votes 4-1)

Street Department

The chip seal/crack seal (resurfacing) program was discussed. Chairman Tews felt it should not be cut from the budget because it is badly needed. Street Supt. Gallow agreed. Chairman Tews suggested \$107,000 be placed back into the budget to repair the Town's roads. (Votes 5-0)

Water Utility / Wastewater Utility

Payroll Accounts; Deputy Clerk part-time insurance was removed; Community Development Director & Associate Planner salary splits from 15% to 20%; no change at this time
Dental Insurance; Change from estimated 3% increase, to actual 15% decrease
WI Retirement; leave alone

Debt Service and Capital Projects; Each line item was discussed.

The Storm PILOT moved to the General Fund was discussed; Gradall was not cut from the budget; increasing N. Lake Street project (Votes 5-0); increasing Olde Buggy Lane culvert project to \$50,000 (Votes 4-1); increase Wilson street storm drainage project; approved. Cut Storm implementation; approved.
Add PILOT: Wastewater - \$50,000, and Stormwater - \$50,000. (Majority vote)
Window replacement at Airport Road building; leave in. (Votes 3-2)

Add expenditure for smart phones and add revenue to offset Police Department squad cameras from Public Protection funds. (Votes 5-0)

3. **Adjourn**

At 9:25 p.m., MOTION: Youngquist/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.*