OCTOBER 25, 2004

Special Budget meeting was called to order by Mayor Meyers at 5:30 p.m., in the Council Chambers, City Hall Plaza.

PRESENT: Michael Feirer, Brad Parks, Gerald Nelson, Tim Kraus, Jerry Bennington, Sr., Russell Stauber, Don Krueger, Ray Gougeon, Tom Buttke and Edward Beaudry, Jr. (arrived at 6:00 p.m.)

ABSENT: None

The flag was saluted and the pledge given.

Chairman Bennington of the Finance, Budget and Personnel Committee assumed the chair.

Mayor Meyers commented that he has been supportive of the freeze on the tax rate for city purposes all along but times change. We are to the point in time where we are going to have to consider other alternatives than what we have been doing in the last couple of years especially in regards to the freezing of the tax rate. When the parameters were set this year there was a tie vote and he broke the tie in favor of the parameters, which included no cuts in services and no increase in the tax rate. He did that for a reason. Those parameters were established under the assumption that a stormwater utility would be established in the city and they were also made under the assumption that the public fire protection charges would be implemented in time for the 2005 budget to take place. The stormwater utility is out and so are the parameters. The Administrator did his job meeting at least one of the parameters and that was not cutting services in his recommended budget. It is up to the Council now on how they are going to pay for those services.

Alderman Kraus felt that there might have been some confusion at least in his perception of the parameters. Those parameters were approved early this summer. But in May or July, he requested at the Council for the Administrator to insure that the department heads looked at their own housekeeping and propose any services that could be reduced or cut as well as personnel reductions that may be able to be taken. He was told that this is something that the department heads are tasked with at the beginning of the budget process every year. So to have it stressed that services have to stay at the level that they were previous to this budget process is not true.

The following budgets were reviewed: Upham Mansion; Wastewater Utility; Taxi System; Main Street Program; Business Improvement District; Economic Development (Fund 210); Convention and Visitors Bureau; City Attorney; Cable Television Committee; Library; UW College - Marshfield/Wood County; UW Building/Remodeling Project; Municipal Airport; Airport Capital Outlay; Hillside Cemetery; Cemetery Perpetual Care Fund; Common Council; Office of the Mayor and City Administrator's Office.

Administrator Brehm indicated that the Upham Mansion budget is supported entirely by tax levy.

Alderman Stauber said that he did some checking with the Taxpayers Alliance. Our ranking out of 190 cities regarding the tax rate reached a high of being the 5th highest taxed city in the State of Wisconsin. Over the years we have reduced that ranking from 5 to 14 to 16 and to 18. We are still up there as far as the ranking with other cities so we still have some work to do.

Alderman Parks questioned the memo that Administrator Brehm handed out regarding some recommendations to help reduce the 2005 recommended budget. The recommendation was to switch some funding sources from tax levy to debt. Would that lower the city levy?

Administrator Brehm responded that in that memo he indicated that they could reduce the levy in several different ways: 1) By cutting expenditures; 2) By finding alternate sources of revenue or 3) Using fund balance or a combination of all three. He outlined some specific capital projects that currently are in the recommended budget and as approved by the CIP to be funded by tax levy. He said that these projects could be funded by long-term debt or you can reduce some of those projects and take them out of the budget completely. This would reduce the levy by $1 million dollars if there were a combination of a reduction in the budget and/or long-term debt proceeds. If this recommendation is approved, when the debt is scheduled for repayment in future years, the tax rate will have to be increased to meet these future principle and interest payment requirements.

Alderman Parks talked about the budget parameters. In the past, they have talked about services and service levels and keeping them the same. But he can't read any of these parameters and find one that says very specifically to keep the level of services the way they are. He wanted to know that when the Administrator evaluated the budget, why did he choose to present a budget that did not meet parameter #8 and not look at the services.

Administrator Brehm said that it was his understanding that the Council wanted to maintain the same level of services and the same tax rate. He could not do both as stated in his transmittal letter and the reasons are outlined in that letter. In regards to deciding what he should or should not recommend, that is the discretion that the Council gave the position of City Administrator when that individual comes before the Common Council and makes a recommendation. If you don't concur with that recommendation, the Common Council can make any changes that they see fit to either reduce the level of services and/or increase or decrease the tax rate.

Alderman Kraus said that they are going to have to reduce services and if they are going to have to reduce man power to do it or get rid of some things that the city is providing that they are going to have to do that. He doesn't like the fact that after receiving this budget back, they are the ones that have to make the hard choices again when 2-4 months ago he asked the department heads to do their due diligence considering that the two previous years that it didn't get done. It is disappointing to see that this year it is redundant on those two previous budget suggestions.

Administrator Brehm stated that all departments to varying degrees have utilized technology. If you take a look at what those budgets are in comparison to previous years you will see that they are very basic. To say that the department heads or the Administrator hasn't done anything reflects a lack of understanding of the budgets as submitted. He has cut and/or reduced over $900,000 from the requests before he submitted the budget to the Council. It is a policy decision by the Common Council to determine the level of services, not staff. Staff is here to inform the Council on what services are being provided and they will explain the implications if they were to change those services.

Alderman Stauber - Parameter #1 says that services may be reduced if necessary. Contrary to some of the information that is being said publicly it wasn't a matter of maintaining services at the current level and come in with a no tax rate increase. The parameters are clear that taxes take priority and services may be adjusted as needed.

Administrator Brehm will review the May minutes of the Common Council but it was his recollection that it was the intent of the Common Council to maintain the same level of services. He admits that item #8 in the parameters does not say that.

Alderman Buttke - We are constantly trying to improve and save the taxpayers money. The Administrator has said that we are going to have to cut services and we told him that we didn't want to cut services. We wanted to come in at the same services that we had. The Administrator has tried to get them going on a Stormwater Utility and we didn't go with that. The Fire Protection Charge, which is an issue, will also save the money because it gets the tax-exempts to pay. The comment was made as to why is Marshfield so high. We have a higher percent of tax-exempts that probably other communities have had. That is changing now. There are reasons for why we are where we are. He doesn't want anybody to feel that they are sitting here not trying to help the taxpayer because that is not true.

Due to the lack of time, the following budgets will be reviewed at the November 1, 2004 special budget meeting: Finance; Non-departmental Budgets; City Assessor; Police Department (Law Enforcement, Ordinance Enforcement, School Crossing Guards, Dispatch Center); Emergency Management and Law Enforcement Restricted Revenue Fund.

Motion by Kraus, second by Gougeon to adjourn at 6:50 p.m.
Motion carried

Deb M. Hall
City Clerk