NOVEMBER 2, 2004

Special budget meeting of the Common Council was called to order by Mayor Meyers at 6:00 p.m., in the Council Chambers, City Hall Plaza.
PRESENT: Michael Feirer, Brad Parks, Gerald Nelson, Tim Kraus, Jerry Bennington, Sr., Russell Stauber, Donald Krueger, Ray Gougeon, Tom Buttke and Edward Beaudry, Jr.
ABSENT: None

The flag was saluted and the pledge given.

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

The committee finished reviewing the 2005 budgets that had not been discussed during the November 1st meeting: Street Construction Fund, Urban Development Fund, Public Facilities, Building Services and Inspection, City Hall Remodeling Fund, Fire and Rescue Department, Fire Protection Fund, Emergency Medical Services, Street Division, Vehicle and Equipment Internal Service Fund, Various special revenue funds, Residential Revolving Loan Fund 216, Utility Dividend Fund 225 Debt Service Funds, TID #3, TID #2, TID #4, TID #6, TID #5, and TID #7.

CC04-362 Motion by Parks, second by Buttke to remove funding for the Wastewater Utility Supervisor's vehicle from the budget.
City Administrator Brehm stated that this motion reduces the budget for gas and parts. What is left is a vehicle that can't be run because there is no money to finance it. This will have no impact on the tax levy. It will reduce the Wastewater Utility budget by approximately $3,000.

Alderman Parks amended his motion to include the sale of the vehicle as an asset.

Alderman Buttke felt that the vehicle was necessary for the Wastewater Utility, he just didn't want it to be able to be driven home by the Wastewater Utility Supervisor.

City Administrator Brehm stated if the Supervisor uses his own car, he would be reimbursed by policy. He reminded the Council that this vehicle is used to sample raw sewage. If the Supervisor has to leave his home and go to the site, the opportunity may be missed to get a sample. It is not unreasonable to provide a vehicle for this.

Alderman Buttke felt that the sampling of raw sewage happens so infrequently that it should not be an issue. He seconded Parks amending the original motion.

Vote on Motion **CC04-362** as amended to include the sale of the vehicle as an asset. Bennington, Krueger, Gougeon, and Beaudry voted Naye, rest voted Aye
Motion Carried

CC04-363 Motion by Parks, second by Kraus to remove the funding for Hefko Pool.

Alderman Buttke felt that the kids who used the pool were not there to state their case. You can talk about not making money or coming out even on places such as the skate park or tennis courts, but you can teach the kids a life lesson with the pool. The kids are not all going to be able to go to the YMCA. There is funding available, but not everyone will do that. John Christner told him once whatever you do, don't take away something like the pool so that the kids will not have a chance to learn that skill. He feels it is very shortsided to do this.

Alderman Parks brought it up because of the numbers using the pools. The numbers have been declining for the last several years.

Alderman Kraus feels that the pool is important, however, doesn't feel that we can continue to put money into the current pool.

Parks and Recreation Department Director Englehart asked what would happen to the pool if it were not run, what would be done with the heaters and other equipment?

Parks and Recreation Supervisor Kelly Cassidy said the figures are as follows: total expense of $54,365, revenue of $30,234, reduces tax levy $24,131. These figures do not include staff time. Brehm agreed with the numbers that were just presented.

Alderman Stauber feels it is a hard decision to make, but the pool is getting older and needs to be looked at.

Vote on Motion **CC04-363** Parks and Kraus voted Aye, rest Naye
Motion Failed

CC04-000 Motion by Kraus, second by Stauber to eliminate the position of the Parks & Recreation Supervisor and allow the Parks & Recreation Department Director to contract out the service provided by that position.

Alderman Kraus has put together a restructuring plan for the Parks & Recreation Department because they are the one Department that could be cut and services can be contracted out.

City Administrator Brehm stated the financial impact of eliminating the Supervisor position is $65,919. That figure includes salary and benefits.

Parks & Recreation Department Director Englehart stated that he has the same number of staff since 1990 and has more responsibilities than before. He feels his department does a great job. Last year's study stated both supervisor positions need to be maintained. Several services have been eliminated or modified since last year.

Alderman Buttke believed it was not a correct time to be discussing this. He believes some of the things should be looked at, but the right place would at the Finance, Budget, and Personnel Committee to be able to make an informed decision.

Alderman Nelson agreed that this should be looked in Finance, Budget, and Personnel Committee, but would like it looked at soon.

Alderman Stauber asked Alderman Kraus to explain his proposal on eliminating the positions. Alderman Kraus stated that he met with Ed Englehart and he requested that if the Supervisors positions were eliminated, they would still like to have the Parks Laborer's remain under his supervision, not be supervised by the Street Division. There would be, as in the past, a lead man, but they would be union personnel. They would be contracting out other programs, little league, gymnastics, etc. The Police School Liaison Officer should be partially funded by the school district. We are the only City who pays100% of the salary. He discussed the elimination of one engineer with

both the Engineer and the Director of Public Works. We provide engineering for developments, which is in direct competition with firms in Marshfield. There was discussion regarding the funding for MACCI, MEDA, and Main Street. He feels it is important to continue funding those organizations.

Alderman Stauber clarified that there were two Parks and Recreation positions the Parks and Recreation Supervisor and the Parks and Recreation Maintenance Supervisor; the City Engineer and Assistant City Engineer would be retained, but there would be one engineering position cut, the Police Department budget would be cut by $70,000.
Motion Withdrawn

CC04-364 Motion by Kraus, second by Stauber to refer the following positions to the Finance, Budget, and Personnel Committee for evaluation: Parks & Recreation Supervisor, Parks & Recreation Maintenance Supervisor, $70,000 from the Police Department budget, and one Engineer position.

Alderman Beaudry is voting no because if the intent is to made the decision on the cutting of the positions for this year's budget, it will be rushing into it. If it won't be done correctly, he will vote no.

Alderman Buttke agreed.

Vote on Motion **CC04-364** Feirer, Buttke, and Beaudry voted Naye, rest voted Aye
Motion Carried

CC04-000 Motion by Stauber, second by Kraus to change the funding for the Industrial Park Authority Operation and Development to the interest from the Revolving Loan Fund ($12,522).

City Administrator Brehm stated there is not adequate fund balance available to do that. There is already utilized about $21,000 for the contribution to MACCI. This contribution is made from the interest, but because of the rate of interest being paid on the investment, it is approximately $21,000 short and fund balance had to be used to make up the contribution. What we have left in the fund for the most part is outstanding loans.
Motion Withdrawn

CC04-365 Motion by Stauber, second by Kraus to reduce the Police Department budget by $60,000.

Chief Stroik asked the Council to keep in mind what they are doing. This action will result in a layoffs and it will cost money in unemployment.

Alderman Beaudry stated that this is still eliminating one person from the Department. No matter how the Chief uses the money, when the officer retires in October, that position will still be eliminated. He feels that that position should be filled.

Alderman Kraus feels it is unfortunate that we have to fund the Police Liaison Officer for the schools.

Alderman Buttke agreed that the school should help fund the PLO, but still feels the position needs to be there.

Chief Stroik stated that we are responsible for all the activity that occurs in the schools and the city. It doesn't matter where the students live, the schools are our responsibility as long as they are in our jurisdiction. In 1994 the Family Medical Leave was enacted. One of the PSLO was recently out for 6 weeks and the other one couldn't handle all the schools. Since 1998 Wood County refuses to transport our prisoners. They currently have to take every prisoner that they pick up on a state charge to the Wood County Jail in Wisconsin Rapids. Our officers stand there while the prisoner is processed in at least an 1 ½ hours. They have tried to deal with this, but there is nothing we can do. In1998 mandatory arrest in every domestic abuse case was enacted. Every time there is a family fight, they have to arrest one or both parties and then they go to the Wood County Jail. So they have a staff of approximately five on a normal night, one shift supervisor and four officers. Two officers to transport, we have one more incident you can have two more officers tied up. We're going to take staff away from the residents because we can't get the schools to pay?

Alderman Kraus stated we are the only City, which pays for the PSLO entirely. The School District gets tax dollars from surrounding township and that is more than the reason why we should get the people who are using the service pay for the service. He can't support not reducing it.

Vote on motion **CC04-365** Parks, Kraus, Bennington, and Stauber voted Aye, rest Naye
Motion Failed

CC04-366 Motion by Stauber, second by Parks that Project 1774, Galvin Ave. ($250,000) and Project No. 1720, STH 13 Watermain ($190,000) would be funded by Electric and Water Dividend Funds totaling $440,000.

City Administrator Brehm stated that $260,000 of this fund would be discussed later to fund the Adams Ave. project. He feels that this funding should not go to specific projects that doesn't have the degree of return from economic development that Council has previously considered in closed session. Using $440,000 of this fund would use up a large portion of that balance which would not be available for future years.

Alderman Parks questioned if we had $602,000 left in the utility fund. Brehm agreed, one of the things that was brought up previously is we use the dividend to accumulate a million dollar balance for the revolving loan program. There is a potential that one of the loans may go into default for approximately $108,000. It would be Brehm's preference to reserve $108,000 in case there is a default and we could use that to replenish the revolving loan fund.

Alderman Beaudry feels that we have always borrowed money for thing that have a long life span and we saved the dividends for projects that were immediate and one time projects. If we utilize that fund to do that street projects, we have nothing left.

Alderman Parks asked if City Administrator Brehm would recommend borrowing for these project and use these funds for other projects.

City Administrator Brehm replied yes. He feels the dividend would be better used for the Adams Ave. project.

Vote on Motion **CC04-366** Parks, Nelson, Kraus, Bennington, Stauber voted Aye and Feirer, Krueger, Gougeon, Buttke, and Beaudry voted Naye. Mayor broke the tie with a Naye vote
Motion Failed

CC04-367 Motion by Stauber, second by Nelson to change the funding on Project No. 1851, Arnold ($110,000) City Hall Generator ($150,000) Project No. 1730, ADA Curb Ramps ($48,500) Sidewalks w/paving ($52,500) and UW projects ($199,000) totaling $560,000 to borrowed funds.

Alderman Parks asked what will happen if we borrowed another $1,000,000.

City Administrator Brehm responded that he hesitates to recommend borrowing because it is 50% more than the approved CIP of $2,000,000 for borrowing and that you have to pay it back. In previous CIP plans, it called for an increase in the tax rate to pay it back. For the past several years, the Council has been reluctant to increase the tax rate to pay back that debt. The debt repayment has to come from the increase in the tax base and if that is not sufficient it comes from the base tax levy, which is one of the reasons why we are discussing this evening. In compliance with Common Council policy for indebtedness, we have four levels of criteria that we look at. With the exception of the per capita, it meets all of the debt policies and with the per capita, it should meet that in 2005. But he cautioned that the debt service cannot exceed 15% of the governmental fund of debt capacity. We only have a margin of $150,000. We are slowly maximizing that level so that debt may not be a possibility in the future.

Alderman Kraus asked if we could reduce the principal payments for one year.

Finance Director Strey responded no, the debt is issued with a set repayment schedule. We are not able to change that.

Vote on Motion **CC04-367** Beaudry voted Naye, rest Aye
Motion Carried

CC04-000 Motion by Mayor Meyers, second by Stauber to reconsider the vote on utilizing the Electric & Water Dividend Fund for projects 1774 and 1720 totaling $440,000.
It was determined that the Mayor cannot make a motion.
Motion Withdrawn

CC04-368 Motion by Beaudry, second by Stauber to reconsider the vote on utilizing the Electric and Water Dividend Fund for projects 1774 and 1720 totaling $440,000.

Mayor Meyers feels that the City is in a bind. He feels that not raising the tax rate in the last couple years, was not a good thing to do. It should have at least been keeping up with the cost of living. Dividend money should be used for other things, but we can't borrow another $1,000,000.

Alderman Parks feels that in relation to the Adams project, we just can't afford everything. He agrees with the Mayor with the fact that he is not comfortable is going to the taxpayers with a 14.7% tax increase and if this helps lowering the request that we take to the tax payers.

City Administrator Brehm commented that the Adams Ave. project has the potential of raising the tax base. The two projects being looked at now, Galvin Ave. and STH 13 does not have that potential

and that is the only reason why he favors N. Adams Ave. and the utilization of the funds for that project. The return on the investment on N. Adams Ave. is more immediate than these two particular projects.

Alderman Beaudry is going to vote no because he feels the dividend should be used for short-term economic gains and long term should be borrowed.

Alderman Buttke will vote for this because of his concern regarding borrowing more money.

Vote on Motion **CC04-368** Nelson and Beaudry voted Naye, rest Aye
Motion Carried

CC04-369 Motion by Stauber, second by Parks to change the funding on Project 1774, Galvin Ave. ($250,000) and Project No. 720, STH 13 Watermain ($190,000) to the Electric and Water Dividend Funds totaling $440,000.

Alderman Kraus asked of this passes, what would be the suggested funding for Adams Ave?

City Administrator Brehm stated the only thing would be long term debt or tax levy. If this motion fails the projects stay in the tax levy.

Dan Helwig, one of the groups of partners who is putting this development together, spoke on behalf of the Adams Ave. project. He has four people who want to purchase property, with one person who wants to start building next fall with a value of approximately $1,000,000. If he can commit to the project, we could be looking at $3,000,000 or $4,000,000 taxable property by next year. He has to know where Adams Ave. will go into his sub-division.
Vote on Motion **CC04-369** Stauber voted Aye, rest Naye
Motion Failed

CC04-370 Motion by Nelson, second by Beaudry to change the funding on Project 1774, Galvin Ave. ($250,000) and 1720, STH 13 Watermain ($190,000) to the Borrowed Funds totaling $440,000. Parks and Stauber voted Naye, rest Aye
Motion Carried

CC04-371 Motion by Krueger, second by Parks to remove funding in the amount of $4,500 from the Parks & Recreation budget for the purchase of 10 replacement Webcoat Tables. Bennington, Gougeon, Buttke, and Beaudry voted Naye, rest Aye
Motion Carried

CC04-000 Motion by Gougeon, second by Stauber to reduce the Information Technology budget by 10 monitors ($4,500) and 8 PCUs ($5,992) for a total of $10,492.

Information Technology Lead Analyst Wolfram responded that cutting the PCs would be difficult because the completion of the GIS project and the state mandated state wide voter registration are contingent on replacing the current PCUs. The PCUs we currently have will not meet the minimum standards to run the software. The additional 33 PCUs, will just bring our units up to the minimum standards required. They do a trickle down where older units are used in other locations. By not receiving funding for all these PCUs it would mean there would be locations that would not be able to

either run the GIS software or we would not be able to complete the state wide voter registration system.
Motion Withdrawn

CC04-372 Motion by Gougeon, second by Stauber to remove 10 monitors from the Information Technology budget totaling $4,500.
Alderman Parks asked why they needed CPUs for the new voter software.

Information Technology Lead Analyst Wolfgram's understanding is the State has put together a proposed minimum equipment standard to run the proposed state wide software which the state is mandating that all municipalities will be running by January 2006. We need 33 CPUs in total in order to trickle down adequate CPUs to run those software. There will not be 33 voter registration CPU, but 33 CPUs will go out to City locations.
Vote on Motion **CC04-372** All Ayes
Motion Carried

CC04-373 Motion by Gougeon, second by Stauber to fund 33 PCUs in the Information Technology budget totaling $24,717 using the Electric & Water Dividend.
The reason for this motion is the PCU are tied to the GIS and, indirectly, economic development.

City Administrator Brehm stated the Council could do anything they want as far as appropriation levels. This would perhaps get away from the sprit of what the policy states.

Alderman Stauber recalled funding GIS with dividend money in the past.

City Administrator Brehm stated that specific project was funded by dividend funds, but this is not just for GIS but voter registration also.

Alderman Beaudry stated it was not intended to be used for maintenance and that is what this is.

Vote on Motion **CC04-373** Nelson, Kraus, Krueger and Beaudry voted Naye, rest Aye
Motion Carried

City Administrator Brehm gave an update on some of the budgets that were previously discussed. Pertaining to the amount of costs that was incurred by the Common Council attending the League of Municipalities meeting. In 2003 the total cost was $5,795.11. In regards to the billing and collection from the Electric and Water Utility and some adjustments, Joe Pacovsky responded to that question with a memo directly to council.

City Administrator Brehm made some recommendations on changes to the budget that he feels are important. The impact on the levy is a reduction of $9,579. First one is regarding the Telecommunication Utility. Electric and Water Utility Manager Pacovsky explained to the committee that the $350,000 contribution from the City would be for start-up costs for the Utility.

City Administrator Brehm stated the turn-out gear is reduced by $36,260. This is due to the fact that we are eligible for aid. The recommended reduction in the EMS fund of $15,000 for the Medical Control contract. There is no impact in the levy. We received our final estimates from the State of Wisconsin on Transportation aids, those are reduced by $31,276 and on Connecting Highway Aids,

they would be increased by $4,595. The last item on the handout is a recommendation to fund the Adams Ave. project in the amount of $260,000 by utilization of the Utility Dividend transfer.

CC04-374 Motion by Buttke, second by Gougeon to approve the recommended changes to the Administrator's 2005 budget as follows:

		Increase	Decrease
Expenditures			
101.59000.0604.5926	Telecommunications Committee	350,000	
101.53315.1860.5240	Adams Ave. (McMillan to 650' North)	260,000	
225.59000.0401.5924	Utility Dividend Transfer for Adams Avenue Project	260,000	
101.52210.5340	Turnout gear		36,260
605.52310..5210	Medical control contract		15,000
Revenues			
101.43531	Transportation Aids		31,276
101.43533	Connecting Highway Aids	4,595	
101.49000.0602.49260	Telecommunications Committee	350,000	
401.49000.0225.49220	Transfer for Adams Avenue Project	260,000	

These changes impact the tax levy by $9,579. Stauber voted Naye, rest Aye
Motion Carried

CC04-000 Motion by Buttke, second by Feirer to approve Resolution No. 2004-54 whereby the city will not pay water-related fire protection costs after December 31, 2004.

Alderman Nelson stated they received a memo from City Assessor Spencer that stated that the Wisconsin Rapids method is not an approved method and it requires a hearing and notice process so the earliest you can consider this is June 1. We are already looking a storm water utility maybe going to the water bills, not the fire protection charges. If we keep it where it is, we pay it once a year or twice of you pay your taxes in two payments.

City Administrator Brehm stated there are implementation costs, but staff feel it will get done on a timely basis. The Electric and Water Utility is required to put these on the water bill unless the Common Council makes an exception. It is an issue of internal and external equity as far as tax-exempt organizations paying for it and an issue of an accountability of the Utility. We have had significant increases. In 2005 the estimated Fire Protection Charge is $663,400. In 1996, it was $484,300.

Alderman Kraus asked for some examples of the industry or commercial costs.

City Administrator Brehm had asked for that, but the Utility said they could not get us that information. It is his understanding that the Fire Protection Charges based on the Wisconsin Rapids method is a weighted formula whereby you take the $663,400 and you allocated it out to the values on the 4 classes of property. Once those values are allocated out, you then allocate it to the equivalent meter sizes. The difficulty you have in this transition is that the Assessor's Office may have certain properties that are classified as commercial or industry and they may be classified differently at the utility, and they need to reconcile that information. The Utility software is capable of doing this.

Alderman Kraus would like to know how many meters and what size are at the various industries and asked the Utility for that information. He would like to see the examples for the commercial/industries before they vote.

Alderman Parks requested this issue be discussed next Tuesday at the regular Common Council meeting.
Motion Withdrawn

City Administrator stated the last item on the agenda would be to approve the budget for public hearing and authorize the Financial Director to advertise this public hearing. Based on the action by Council, the Fire Protection Charges would not be part of that advertisement. If they wait to take action on Tuesday, that would delay everything one week, which would be ok. Item F of the agenda would not be acted on until next Tuesday.

Alderman Kraus feels that the intent that Council has the opportunity to act on those on Tuesday.

Alderman Gougeon asked if the approved actions tonight, assuming the fire protection charges will pass, what would the levy right now.

Finance Director Strey stated that with the changes at tonight's meeting, the tax levy has been reduced by approximately $1,043,296 to $10,728,105 for a rate of $9.68 which is approximately 43 cents greater than the rate last year. This is with the Fire Protection Charges being placed on the water bill.

CC04-375 Motion by Parks, second of Gougeon to adjourn at 11:40 p.m.
Motion Carried

Respectfully submitted,

Amy Krogman
Mayor's Secretary

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