

NOVEMBER 3, 2008

The Special Budget meeting of the Common Council was called to order by Mayor Meyer at 6:30 p.m., in the Council Chambers, City Hall Plaza.

PRESENT: Michael Feirer, Alanna Feddick, Dave LaFontaine, Scott Noble, Ed Wagner, Josh Hansen, Donald Krueger, John Spiros, Tom Buttke, and Pete Hendler.

ABSENT: None

The flag was saluted and the pledge given.

PUBLIC COMMENT PERIOD

Mayor Meyer reminded everyone that Tuesday was Election Day.

Chairperson Spiros of the Finance, Budget and Personnel Committee assumed the chair.

City Administrator stated that at the last council meeting the Common Council had taken formal action in regards to several different budgets. A couple of them involved the UW Marshfield/Wood County campus. He had indicated that it would be appropriate to add \$42,500 to the budget for the Leopold Windows and to reduce fund balance accordingly, since that was already budgeted in 2008; there would be no need for that reduction of that \$42,500. The fund balance would be reduced \$45,000. The net impact of that is to include in the 2009 budget all of the projects and the windows would be coming from fund balance that was budgeted for in 2008. He also talked about the dollar amounts in the two positions that were adjusted. One was the addition of the Police Officer. He had indicated the dollar amount is \$66,578, the correct amount is \$61,491 and there was a deletion of an IT Analyst. He had stated the amount was \$57,865; the correct amount is \$58,244. Net impact of those changes would be to reduce the tax levy \$46,753.

CC08-404 Motion by Buttke, second by Hendler to approve the following changes:

	<u>Increase</u>	<u>Decrease</u>
<u>Expenditures:</u>		
Peach Ave. Underpass	401.5733131.311572.52100	\$10,000
Cemetery Perpetual Care Fund	801.5900008.080101.59210	4,000
Street Maintenance	101.5331132.320000.53700	\$200
Information Technology	101.5145007.070000.52100	20,000
Health Insurance Changes – Various a/c’s	20,866	
Dental Insurance Changes – Various a/c’s		<u>2,111</u>
HRA Changes – Various a/c’s	<u>1,668</u>	
Total	<u>\$42,734</u>	<u>\$16,111</u>
<u>Revenues:</u>		
Street Construction Fund Balance Applied	401.4900008.080000.49300	\$10,000
Interest on Cemetery Perpetual Care Funds	101.4900008.080801.49280	<u>4,000</u>
Fines/Forfeitures	101.4500002.020000.45112	<u>\$5,000</u>
Total	<u>\$5,000</u>	<u>\$14,000</u>
Total Levy Increase	<u>\$36,512</u>	

All ayes

Motion Carried

CC08-405 Motion by Buttke, second by LaFontaine to approve the following changes:

		<u>Increase</u>	<u>Decrease</u>
<u>Expenditures:</u>			
S. Central Ave.	428.5733131.311710.various	\$1,786,620	
Alley (Central/Maple, 3 rd /4 th)	401.5733131.311945.various		\$63,009
Second St. (Maple to Vine) Street	401.5733131.311981.various		324,031
Second St. (Maple to Vine) storm sewer	401.5734531.316732.various		94,009
Alley (Central/Maple, 3 rd /4 th) storm sewer	401.5734631.316728.various		28,000
Yellowstone Ind. Park Street Construct.	432.5733131.311748.52400	630,000	
S. Central Ave. – Water Services	428.5749031.311951.52400	50,000	
Second St. (Maple to Vine) Water Ser.	401.5749031.311982.52400		6,000
S. Central Ave. – Engineering	428.5733131.311710.various	<u>80,999</u>	
S. Central Ave. – Engineering	401.5733131.311710.various		<u>80,999</u>
Totals		<u>\$2,547,619</u>	<u>\$596,051</u>
<u>Revenues:</u>			
Long Term Debt Proceeds	401.4900008.080000.49120		\$509,000
Long Term Debt Proceeds	428.4900008.080000.49120	\$1,836,623	
Long Term Debt Proceeds	432.4900008.080000.49120	630,000	
Long Term Debt Proceeds	428.4900008.080000.49120	<u>80,999</u>	
Long Term Debt Proceeds	401.4900008.080000.49120		<u>80,999</u>
Totals		<u>\$2,547,622</u>	<u>\$589,999</u>
Tax Levy Decrease	<u>\$6,055</u>		

All ayes

Motion Carried

CC08-406 Motion by Hendler, second by Hansen to approve the following changes:

		<u>Increase</u>	<u>Decrease</u>
<u>Expenditures:</u>			
Internal Service Equipment	701.18500	\$31,913	
Wastewater Utilities	601.18500	<u>3,083</u>	
IT – Inventory Software	101.5145007.070000.53940		<u>\$34,996</u>
Totals		<u>\$34,996</u>	<u>\$34,996</u>
<u>Revenues:</u>			
Long Term Debt Proceeds	428.4900008.080000.49120		<u>\$80,999</u>
Tax Levy Decrease	<u>\$34,996</u>		

All ayes,

Motion Carried

Motion by Alderperson Feddick to remove \$5,000 from the Sustainable Marshfield 2009 budget and carry over the balance of their 2008 budget.

She explained when the Council was initially approached regarding this committee; they were told it wouldn't cost any money. Last year they had \$5,000 in their budget and there is another \$5,000 in this year's budget. They have spent \$675 as of September 30, 2008.

Administrator Brehm explained that the net result would be the same because you are changing the levy source from tax levy in 2009 to fund balance applied. It is Council's policy that you typically don't carry over operation and maintenance expenditures. You only carry over projects that span more than one fiscal year. The impact would be the same.

Motion withdrawn

CC08-407 Motion by Feddick, second by Wagner to remove from the Building Services budget \$20,000 for miscellaneous nuisance enforcement and condemnations and offset it against the significant borrowing in the budget.

Alderperson Feddick stated her reason for this motion is this money isn't spent very often and by the time you go through all the paperwork, it's take approximately a year before condemnation occurs.

Mayor Meyer stated that there are active nuisance violations and condemnations going on now.

Administrator Brehm stated this account isn't used very often, but when used in the past we would need to transfer from the contingency account. What this money represents is a contingency account within Building Services so that if demolition is involved it would not require a budget resolution.

Alderman Hendler stated the building inspection department looks reasonably well in comparison to Stevens Point, Wausau, Wisconsin Rapids, and Appleton. The department needs some leverage, especially in this case. We have areas in the city that are suspect and he feels it should be left in.

Alderman Wagner asked how much is in the general contingency fund and if the need arose, could you take fund by the fund balance during the year.

Administrator Brehm contingency fund in general fund is \$100,000 not earmarked for anything. We have about \$78,000 left this year. We are about \$250,000 in the hole for the snow budget. Although we have base wages covered, we don't have any money for salt, overtime, or machinery rental. The \$78,000 may be needed for that.

Alderman Wagner asked about the unreserved account, could we draw against that fund.

Administrator Brehm stated you can, but he doesn't recommend it.

Vote on Motion 08-407 Feddick, Noble, Wagner, Hansen voted Aye, rest voted Naye,
Motion Failed

CC08-408 Motion by Alderman Feddick, second by Spiros to reduce the Parks and Recreation 2009 to the amount that was listed in the budgeted 2008 budget. The reduced amount is \$50,179.

Aldersperson Feddick feels this should be done because of the tough economic situation, the increase in user fees and the fact that their estimated 2008 budget is lower than the budgeted 2008. She is going to let the Parks and Recreation Department figure out where the money should come from.

Parks and Recreation Director Englehart stated they worked very hard to get to where they were at with this budget. He is not sure where the expenditures would come from.

Aldersperson Buttke does not feel it is fair to the taxpayers to not know what area would be cut.

Aldersperson Krueger stated he agreed because Ed could decide to cut out the swimming pool and they could be voting to cut the pool. He is not going to vote for this without knowing what would be cut.

Aldersperson Wagner stated he felt Aldersperson Feddick was making a policy statement to keep the budget the same. We have the time period before publication for the citizens to respond.

Aldersperson Feirer stated when we asked for these budgets we asked for a 0% increase. When you cut this money, it will be personnel costs. If you do this, you will have to lay someone off; if you do that you will cut the program.

Aldersperson Hendler felt the \$50,179 is not a small piece of money, but he feels it too late to inject into the picture. There are bigger items to deal with. He felt this is a symbolic gesture to cut a budget and it's not going to have an effect on the overall budget. He feels the Parks and Recreation Department is doing an excellent job. This is the kind of program that many young people in the community will want as everything is falling around us.

Mayor Meyer commented on the increased spending and borrowing. We have significant cost increases on things that are good for Marshfield. Costs go up from year to year. There is an increase of \$630,000 in the industrial park that is a direct result of a new company opening up in that park. South Central Ave. wasn't planned on doing in 2010, but it was moved up. These are good things that increased the borrowing for next year, but that's not all bad. There are projects that have been done we should have borrowed money to pay for. He is very happy with the budget; Marshfield is in an incredibly good position. We've haven't raised taxes for several years. We have to tighten our belt, but we have to remember that some of the things overall are a very positive thing for the community.

Vote on CC08-408 Feddick, Noble, and Wagner voted Aye, rest Naye
Motion Failed

Motion by Noble to allot 30% of the room tax money to cultural heritage tourism

At their meeting earlier today, the Historic Preservation Committee voted unanimously that 30% of the room tax money would be allotted to cultural tourism.

Aldersperson Feirer stated the room tax amount is \$162,750. That is not the cash on hand or revenues. The \$365,000 is the total amount in this account. The \$162,750 will not be there if it is a bad year. He doesn't know where the Convention and Visitor Bureau is going to cut the budget to make this work.

Administrator Brehm stated 70% of room tax collected must be used to promote Marshfield. Either by advertising, specific projects, or building infrastructure which would bring people into our community to stay here. In the past the Common Council has allotted this money to the Convention and Visitor's Bureau and they administer it in compliance with state statute. You will have to decide if you want to reappropriate this money.

Mayor Meyer asked if they have talked to Convention and Visitor Bureau and tried to work together. The right approach would be to have these two groups work together.

Alderman Wagner asked about the Convention and Visitor Bureau cash reserve. Alderperson Feirer stated the cash reserve for \$65,000 which is set aside for a bad year and they get less room tax money.

Alderperson Noble stated the Historic Preservation Committee has tried to work with CVB, it wasn't working. Sharon Kirn stated that she was surprised to hear there was a problem. She thought they were working well together.

Motion failed due to lack of second

CC08-409 Motion by Noble, second by Wagner to reduce the amount of the MEDA appropriation from \$25,000 to \$19,500 which is the same as the Wood County appropriation.

MEDA currently has a balance of \$55,000 that is earmarked for special projects coming up. The bulk was earmarked for a retail study guide, but plans changed. Now it is being used for new marketing plans that are coming forward. Wagner asked if \$19,500 would be enough for a year, Larson stated they would make do, but with the economy the way it is, you want to keep up your economic development.

Vote on CC08-409 Feddick, Noble, Wagner, and Spiros voted Aye, rest Naye

Motion Failed

CC08-410 Motion by Wagner, second by Hendler to add \$50,000 to TIF #4 to allow funding for a matching grant for façade renovation on Central Ave. This will be funded by revolving loan money.

Alderperson Wagner stated this would be a matching fund grant. The matching money can come from the building owners themselves or a combination of building owner and Imagine Marshfield fund.

Vote on CC08-410 All ayes

Motion Carried

CC08-411 Motion by Krueger, second by Spiros to reduce the number of firefighters requested in the 2009 by four, keeping the two Firefighters funded in the EMS budget, and wait for another year to apply for the Safer Grant for the additional 4 firefighter.

At the last budget meeting, Chief Schmidt was asked to contact FEMA to talk to them regarding this grant and how long we have to hire the six staff. He received a verbal commitment that we have six months. FEMA hopes to conclude the process by January, but they are behind their goal. He also found out that we are not obligated to the grant process. He is not sure what the impact refusing the grant would have on future funding. There are other communities who have declined the grant.

There is money in the budget for 3 additional staff, after April 1st there is money in the budget for 3 additional staff for a total of 6 staff. Chief Schmidt would not be hiring any firefighters until after they receive the Safer Grant.

Aldersperson Hendler questioned on call staff and why they aren't used anymore. Chief Schmidt responded the paid-on-call looked good on paper, but the system did not work. They were great for clean-up and salvage, but even if they got there first, all they have is their turn-out gear.

Aldersperson Hendler also questioned the fact that Plover uses a volunteer system. Chief Schmidt said they have many other paid departments around them that we don't have. They have aid agreements with those communities.

Administrator Brehm stated that two positions are in the EMS fund that is supported by user fees, there is no tax levy. Our net cost there is about \$126,000. If we were to leave those two firefighters in there, we would lose approximately \$80,000 in safer grant. It still has no impact on the tax levy. The one in the general fund is \$81,000; safer grant is about \$39,000 - a tax levy decrease of \$42,000. At least for the next five years, the city has a mechanism to fund these positions. At the end of the five years, the city picks up that full cost. If we don't hear anything between now and the end of the year, the city is covered for the six positions. There are several factors; you have to decide what risk you want to take in providing services at what cost. You want to maybe consider losing the funding in 2009 or do you want to wait for the 7 weeks and take a chance and continue on for the safer funding.

Chief Schmidt stated since the council approved the resolution to apply for the grant, staff has increased the number of contributors to the EMS fund which makes it possible to fund two additional personnel in that fund. He has been in a negotiation process with a township who is very interested in increasing our revenue because of a potential initial aid contract. There are things the Department can do and have started to do because the council committed to this grant process. His commitment to the Common Council is to try to live within your budget parameters and try to increase the revenue to help offset the burden to the tax payers.

Vote on CC08-411 Feddick, Noble, Krueger, Spiros, and Hendler voted Aye, Feirer, LaFontaine, Wagner, Hansen, and Buttke voted Naye. Mayor Meyer broke the tie, voted Naye.

Motion Failed

CC08-412 Motion by LaFontaine, second by Hendler to increase the contingency appropriation by \$51,292. Feddick and Noble voted Naye, rest Aye

Motion Carried

Motion by LaFontaine, second by Krueger to increase the tax levy by the maximum allowed.

Aldersperson LaFontaine feels that if we don't start increasing the tax levy at this time we are going to be hurting in the future.

Administrator Brehm stated the estimated increase would be an additional tax levy of \$192,841. He would suggest to reduce some of the borrowing and transfer it to tax levy to increase.

Aldersperson Feddick is not in favor of this motion because we set parameters as a whole council and need to stick by those.

Aldersperson Hendler asked if this would be surplus money, the budget is not based on this motion.

Administrator Brehm stated there are several things you can use these additional taxes for. You can use it to reduce your borrowing; you can add it to one of the capital projects

Aldersperson Hendler would agree with Aldersperson Feddick because it isn't in the parameter

Mayor Meyer agreed. The parameters are to have a flat tax rate. We can't continue to do that. One of the problems is if you don't maximize the tax levy you cripple yourself within a couple of years. The League is looking at a resolution allowing unused levy limit space to be transferred to the next year so if you raised it 1% and the limit was 2% you would have the extra 1% the following year. He is not in favor of raising it this year; we balanced without having to do it. We do need to look at the budget parameters next year with that in mind.

Aldersperson Noble stated the parameters were actually 0 to -2.5% decrease; we never looked at the decrease. He is not in favor of an increase.

Aldersperson Buttke stated he has to respect the parameters, he doesn't agree with them, but he does have to respect them. In future years we need to start looking at increases.

Aldersperson Krueger also agrees that it shouldn't be raised tonight, but will have to be looked at next year.

Second was withdrawn

Aldersperson Wagner stated originally the Common Council said we wanted 5% reduction of spending across the board. He would never look at raising taxes before we look at cutting expenditures.

Motion dies for lack of second

Recessed at 8:50 p.m.

Reconvened at 9:00 p.m.

CC08-413 Motion by Wagner, second by Hansen to set the date of November 25, 2008 at 6:30 p.m. for the public hearing on the proposed 2009 City budget and authorize the Finance Director to publish the notice of hearing and the proposed 2009 budget, incorporating any previous budget actions of the Common Council.

Finance Director Strey stated the total tax levy is \$11,430,350 with a tax rate of \$9.87 per thousand.

Administrator Brehm the last motion was to increase contingency fund by \$51,292. That amount may be tweaked a little bit to keep the tax rate same as last year.

Vote on CC08-413 LaFontaine voted Naye, rest Ayes

Motion carried

Motion by Hendler, second by Hansen to adjourn at 9:04 p.m. All Ayes

Motion Carried

Amy Krogman
Mayor's Secretary