

**SPECIAL FINANCE COMMITTEE
OCTOBER 24, 2016 AT 6:00 P.M.
LINCOLN CENTER – 1519 WATER STREET**

PRESENT: Alderpersons Phillips, Kneebone, and Dugan

EXCUSED: Alderpersons Doxtator and Shorr

ALSO

PRESENT: C/T Ladick; Mayor Wiza; City Attorney Beveridge; Ald. Slowinski, Morrow, Ryan, McComb, Oberstadt, Johnson; Directors Lemke, Schrader, Schatschneider, Ostrowski; Deputy C/T Freeberg; Human Resource Manager Jakusz; Fire Chief Finn; Police Chief Skibba; Brandi Makuski; Zach Hagenbucher; Jim Hamilton; Jake Keranen; Anthony Doubek; Brandon Pierzina; Kory Jorgensen

ITEM #1 – REVIEW OF PROPOSED 2017 BUDGET.

C/T Ladick gave a PowerPoint presentation highlighting how the operational budget is funded, State Aid and its components, and the negatives and positives for next year's budget. He started by stating 50% of the operating budget is funded by property taxes, with another 28% by State Aids along with a few other areas that have smaller percentages. The State Aid programs consist of Shared Revenue, General Transportation Aid, Connecting Highway Aid, Municipal Services Payment, ERP and Exempt Computer Aid. He reviewed each program and gave a brief history of each of them.

C/T Ladick then got into the specifics of the 2017 operating budget, stating that this budget was easier than last year, partially due to an excellent year for new construction in 2015 and the stabilizing of State Aid payments. He went on to say that this budget does not reduce any program or positions and extra money has been put aside for the pay plan adjustments that will be discussed at the November 3rd Special Personnel Committee meeting. The budget positives were Net New Construction, which is 2.28%, increased Transportation Aid and interest revenue, expected increases in parking meter revenue and additional collections from the room tax. The budget negatives were an increase in pension contribution rates, the annual Fire Dept. wage increase, the salary adjustments for the cost of living increase (.68%), the salary steps, reduction in the State Municipal Services payment and a reduced State ERP payment. He also gave an update on our Fund Balance, stating that our target is between 33.3% and 50% and we are currently at 49.59%. Finally, he proposed the tax levy of \$15,066,552 for an assessed tax rate of \$9.84/1000 and noted that the tax rate has been incredibly stable over the past five years.

Jim Hamilton, 1124 Soo Marie, questioned who controls the Housing Trust Fund and whether or not there were any Housing Rehabilitation loans being made. He stated the best way to increase revenue is to improve the value of existing infrastructure. C/T Ladick stated the Housing Trust Funds are under the control of the Redevelopment Authority, so it is up to their discretion as far as how they want to manage those dollars.

Jim Hamilton also stated he does not like the fact that money is being drawn from the Housing Trust Fund to offset the operating budget.

Director Ostrowski stated with regards to the RDA (Redevelopment Authority) and the Housing Trust Funds, they have not done any housing rehab loans recently but what they have undertaken is the housing study, which is up for approval for the selection of consultants in November. The housing study will analyze the programs that the RDA will then undertake in regards to housing initiatives throughout the City. He stated they are hopeful that the housing study will identify certain programs in specific types of housing that the RDA should try to target to better the community.

Ald. Phillips asked how the \$75,000 per year revenue was figured, based on the \$300,000 expenditure line item for meters for the Police Department. C/T Ladick stated that we looked at the parking study and it estimated that we would get about \$150,000/year so we took half of that since we do not expect them to be put in until next summer, so half of the year, hence the \$75,000.

Ald. Johnson questioned if there is something else that will come out that will break down the Riverfront Fund, such as wages, supplies, etc. Director Schrader stated it has never been broken down in the budget but he can provide her with that information. Ald. Johnson stated she would like that information and Director Schrader stated he will get that information to her. Mayor Wiza asked that all of the Alderpersons receive that information once it is compiled.

Ald. Ryan questioned if money has been reallocated for the Façade Grant program. C/T Ladick stated they did not have a request for it this year. He stated it is more of a one-time expense to replenish those funds, so it would probably be looked at in the capital cycle.

Director Schrader questioned if the position he requested was going to be discussed. Mayor Wiza stated this would be discussed at the November 3rd meeting. C/T Ladick stated the line item "Levy for Contingency" is higher than normal in preparation for the pending pay study and the costs that will be associated with it. That line item contains all the available money that we have, which will need to cover the market study increases in pay, the step and cost of living increases, any new positions, the pending Police Department union settlements and whatever is left will be what is available in contingency for the rest of the year. We typically budget about \$100,000 for contingency.

ITEM #2 – RECOMMENDATION OF 2017 LEVY TO COMMON COUNCIL.

Motion made by Ald. Dugan, seconded by Ald. Kneebone, to approve the recommended levy of \$15,066,552 with an estimated mill rate of \$9.84/\$1,000 of assessed value.

Ayes: All

Nays: None

Motion carried.

Adjournment at 6:56 p.m.