

**SPECIAL FINANCE COMMITTEE
NOVEMBER 1, 2011 AT 6:04 P.M.
PORTAGE COUNTY PUBLIC LIBRARY – PINERY ROOM – 1001 MAIN STREET**

PRESENT: Alderperson Moore, Molski, R. Stroik, Brooks and Suomi

ALSO

PRESENT: C/T Schlice; Mayor Halverson; Clerk Moe; Ald. Wiza, Trzebiatowski, Slowinski, M. Stroik, Beveridge; Directors Ostrowski, J. Lemke, Schrader, McGinty, Halverson; Assessor Siebers; Chief Ruder; Asst. Chief Skibba; Asst. Chief Kudronowicz; Fire Chief Kujawa; Personnel Specialist Jakusz; Deputy C/T Freeberg; Sharon Patoka; Becky Kalata; Mike Bink; Tony Babl; Ben Uitenbroek; Amy Kontos; Dave Schleih; Matthew Brown; Nick Paulson; Reid Rocheleau; Barb Jacob; Lori Dehlinger; Ed Spencer; Cathy Dugan; Attila Weninger; Peter Danielsen

ITEM #1 – PUBLIC COMMENTS ON THE PROPOSED 2012 BUDGET.

David James, 1257 Main Street, representing the Stevens Point Police Officers Organization, stated they understand the extraordinary times and the struggles of the budget process. He has concerns over not filling the Asst. Chief position that will be vacant upon Asst. Chief Kudronowicz's retirement in March 2012, (Note: This was incorrect, as the intent has always been to replace it) and also not extending the force at all when calls for service and other areas have gradually increased over the years. He stated that cutting the tools that the Police Department needs to do their job affects the safety and livelihood of the officers. They put their lives on the line every day for the community and it is a proven fact that officers have a lower life expediency so he would like to see them given the tools they need to do their job in the most efficient way possible.

Attila Weninger, Superintendent of Stevens Point Public School District, wanted it noted that the crossing guards are funded through the end of the school year and that he appreciates the assistance he has been given from Chief Ruder, Mayor Halverson and C/T Schlice in helping them find a resolution to the problem. He stated there have been conversations and that they will continue until a resolution has been reached.

Barb Jacobs, 1616 Depot Street, feels it is important that we have crossing guards and doesn't feel that it should be the schools responsibility, but rather the City's. She stated she would like to see it put in the budget for the whole budget year, not just till the end of the school year. She also does not support wage increases for management personnel. She would still like answers from the City Attorney on wage freezes and furlough days and if it would be possible to implement them.

Reid Rocheleau, 408 Cedar Street, questioned what was being done with the Assessor's wages and asked whether or not wages were going to happen across the board. He also stated concerns over the crossing guards not being budgeted for the whole year and doesn't feel it's the school districts problem.

Dave Schleih, 1026 Smith Street, President of Police and Fire Commission, stated they have concerns over public safety budgets. He wants to make sure that the money that was taken out for 2012, for certain areas, is put back in for 2013 to sustain the level of services we have. He stated that they just can't afford to keep the crossing guards on levy dollars, there is no room in the operating budget for them and feels that the nine months they have been given to come up with a resolution should be enough time. He would like to see the management personnel receive their increases in pay as the management pay plan was set up to keep things more efficient and also to prevent wage compression.

Police Chief Ruder stated that they have reached an agreement with the parochial schools and talks are continuing with the public schools with regards to the crossing guards. He reflected on some of the programs and instances that will be affected by the budget cuts that he was asked to make. He also would like to see the management pay plan kept intact to avoid wage compression as it could be a problem trying to fill the opening in management they will have in March because it could end up being a pay reduction (due to overtime being allowed to current Sergeants). They have gone from 7 management positions down to 3 and with the job descriptions increasing, they have more responsibility and the pay plan was a commitment and needs to be withheld. He stated that the workforce has not been increased in the last few years, even though crimes, population and miles of roadways have. He also stated that the current problems in the community, heroin and violence in the downtown area, have required a lot of attention as of late and when there is not enough manpower to address the problems, they get out of hand. He would like to see the department workforce increased in the years to come to help deal with the issues at hand.

Director Lemke stated that his department had significant cuts and one position has been cut. Over the past years, the department has gone from 43 workers down to 28. He briefly reviewed the cuts that have been made. He also stated the Transit facility is at the design stage and is a matter of months from being presented.

Fire Chief Kujawa stated that the budget cuts that she made came from training and equipment and some of it will need to be put back. She listed all of the services that the Fire Department provides from fighting fires to numerous types of rescue operations. She went over how much the department will be affected by these cuts and said she will have a hard time sustaining the cuts, especially with the overtime budget. She stated that over the last few years, the overtime budget for fire averaged \$141,300 and ambulance was at \$97,300. This year, they are being given \$95,000 for Fire and \$56,000 for ambulance. She stated she is not saying it can't be achieved, but only once in the past 7 years has it been accomplished.

Assessor Siebers stated he talked to the contracted Wisconsin Rapids Assessor that was referenced at the last meeting and said they were budgeting an additional \$240,000 to be assessed out to another contractor for the revaluation. He thanked everyone for reconsidering keeping his office. He stated that as requested at the last meeting, he did send a list of what their office does on a daily basis to the Alderpersons. Their budget will be down 4% from the 2011 budget, but with that

will go one of the employees. He stated that with losing that position, they will also be losing the GIS program, mapping, an additional person to assist in inspections, sending out letters and answering general questions. He also stated that position has been working a lot of the time with the Engineering Department as they also the GIS and mapping services. He requested that with getting rid of some of the alleys if they do lose that position, that the 70 properties that will be affected by getting rid of alleys in a few areas be held off due to the work involved with combining properties and reassessing them all. He stated it will be too much work in a short amount of time.

Director Schrader reviewed his cuts and stated he understands that it will be a tough decision to decide what to keep and what not to.

ITEM #2 – REVIEW AND POSSIBLE ACTION ON PROPOSED 2012 BUDGET INCLUDING CAPITAL AND NON-LEVY FUNDS.

C/T Schlice stated that we started needing to cut 1.9 million and then 1.5 million, and now it is at 1.6 million. A big change was that we received more than expected from the State for computer aid. He stated that the general operation levy is down by .20¢ per thousand and the debt service levy is up by .60¢ which gives a net bottom line increase of .40¢ per \$1,000 assessed valuation. There are some open items, final valuation numbers from the State, other taxing jurisdictions levy and the workers compensation rates (which will either hit us in 2012 or 2013). He stated that the crossing guards are funded through the end of the school year, computer aid was increased by \$83,000, there was a reduction of TID levy (which impacts the bottom line calculation), a reduction in the fire dept pension by \$15,000 and the fuel sales at the Airport were adjusted. He stated Director Lemke and Airport Manager Draheim are doing a good job as fuel sales are up and hopes in a few years the Airport will not need to depend on levy. He then reviewed the options sheet (attached). Option 1 adds in the \$4,500 for the ADA wheelchair lift for swimming pool (which was missed in the capital improvement sheet that was given out) and with no other changes being made, we would be under the state levy limit by \$305,000. Option 2 would bring our levy expenses up to the maximum allowed by state law and we would either increase expenditures or reduce fund balance application to reach that threshold. Option 3 would reduce the use of the million dollar fund balance application for 2012 and would include elimination of the Assessor's office and moving capital improvements to borrowing which would require us to borrow annually for those items typically funded in operating. All options are shown as potential adjustments to the budget and are not a take it or leave it option. To cut a million dollars in small accounts would destroy most of the operational services that the City provides. In addition, the ball diamond maintenance is being moved to room tax for 2012 and reducing their allocation by \$16,000 for 2013 and another \$16,000 for 2014. He stated that depending on the Committees decision, he would put the preliminary budget together and then review it at the regular Committee meeting on November 14th. The adoption of the budget will take place at a Special Council Meeting on November 21st.

Assessor Siebers stated the Assessor's Office is responsible for collecting and reporting the value of computers in the City. This value determines the payment by the State for the computer aid.

C/T Schlice handed out and reviewed the material changes (attached) to the 2012 budget since the last meeting.

Mayor Halverson also stated that they had a voluntary retirement in the Parks Department that saved approximately \$68,000, but with that came an agreement that the City would pay for 2 years of health insurance.

Ald. R. Stroik questioned whether the airport fuel sales were net or gross.

C/T Schlice stated it was net sales. They did a nine month review and the numbers had already exceeded last years total, so it was increased for 2012.

Ald. Wiza questioned if the TID levy gets paid back by taxes and asked how it affects the tax.

C/T Schlice stated with all TID's, the money that is advanced by the levy will be repaid to the taxpayers at the close of the district plus interest.

Ald. Trzebiatowski questioned if we can apply money from an overperforming district to an underperforming district.

C/T Schlice stated no, according to current law, we would have to declare a district distressed and they are not in bad enough shape and too new to make that determination at this time. TID 5 is above water, TID 6 is below, TID 7 is about equal and TID 8 is new.

Ald. Trzebiatowski questioned if we are being penalized because of being frugal and how does that compare to municipalities that had a lot of fluff in their budget.

C/T Schlice stated fund balance was applied rather than increasing the taxes. It was said that 2012 was going to be a bear and 2013 wasn't going to be any better but we do have the ability to reduce fund balance application for 2012 which will help in 2013. To lessen the impact, we will be working on reducing fund balance application over a 3 year period.

Ald. R. Stroik stated he liked Option 2 which would put additional money into operations which would restore some of the services that were reduced.

Mayor Halverson stated he would like to see Lean 6 continued. Currently the payroll process is being evaluated and it has been found that 30 hours of every 2 weeks is spent on payroll so we are looking at ways to save hours and dollars. We are working towards applying this to other areas in the City, such as Accounts Payable, etc. He stated there is no question that this is a mechanism that will help address many areas.

Ald. R. Stroik stated they used Lean 6 at his place of employment in 2009 as they were facing several problems similar to municipal government. He said the paybacks are enormous and it was encouraging to see waste and elimination in the processes. He also stated it will serve as an improvement and that it is encouraging to find ways to redirect costs.

Mayor Halverson commented on changes he would like to see for 2012. He would like the court officer in the Police Department moved back to patrol and institute a full time City Attorney to handle the Municipal Court that he would like established by mid-2012. He stated that with a new law that is being proposed, a Municipal Court would allow us to make money. He also wants implementation of the storm water utility which may move \$200,000 from the levy to the utility bill and he would also like authorization for a full-time position in Community Development, which would be an Associate Planner. The funding for the full-time position would come from making Director Ostrowski part CDA Director and part Community Development Director, so 50% of his wages, etc. would come from the CDA so it would be no additional dollars from the City. He stated that right now we need to focus on jobs and new development and feels that this would help out with that. He also stated that talks with the Police and Fire Unions are progressing in a positive way and it is clear that the bargaining units want to be part of the solution for 2012.

Ald. Moore stated that a lot of new information has been presented and he would not like any motions made but rather take some time to look it over and if there are any questions, concerns or ideas, to talk to C/T Schlice.

Ald. Suomi stated she agrees with Ald. Moore but would also like more information on the money that will be needed for the Mayors projects as that is extremely important in figuring out which direction to go.

C/T Schlice stated we are looking at different options for the municipal court and perhaps sharing costs.

Mayor Halverson stated that he has talked with Plover and they are also interested in the Municipal Court.

ITEM #3 – AUTHORIZATION FOR 2012 SHORT-TERM BORROWING.

C/T Schlice reviewed the 2012 proposed short term borrowing worksheet, which totaled \$3,153,000. He stated that the borrowings for TID projects are charged back to the TID districts. He stated that the interest rates are low and he would like authorization to start the process.

Ald. Moore stated that Ald. O'Meara wanted to know what the criteria was for replacing police vehicles.

Director Lemke replied that based on past experience with vehicle maintenance issues, a 2 year rotation is used.

Police Chief Ruder stated he would like to retain two of the current black and white squads as they have new engines, one to be a possible trip vehicle and the other to possibly be an auxiliary police vehicle. They are ordering 8 new patrol vehicles, two of which will be higher profile vehicles (SUV type).

Ald. R. Stroik questioned what the annual interest is to borrow over \$3 million. He believes that the construction items need to be done, but asked if we could hold off on the vehicles for 12 months.

Director Lemke stated it would increase the repair account as transmissions would be going along with other issues and he does not have enough in the contracted services account to cover those additional costs.

C/T Schlice stated that the vehicle repair budget line items are going up because of vehicle age. He also stated that patrol cars are running 22 of 24 hours.

Motion made by Ald. Molski, seconded by Ald. Brooks to approve authorizing the 2012 short-term borrowing.

Ayes: All

Nays: None

Motion carried.

Adjournment at 7:37 P.M.