

**CITY COUNCIL MINUTES
FORT ATKINSON, WISCONSIN
NOVEMBER 20, 2007**

1. CALL MEETING TO ORDER

A regular meeting of the City Council was called to order by President Mielke at 7:00 p.m. in the Council Chambers of the Municipal Building.

2. ROLL CALL

On call of the roll, members present were:

LaVerne Behrens
John Mielke
Jim Simdon
Steve Tesmer
Mark Zastrow

Also present were the City Manager, City Engineer, City Attorney and City Clerk/Treasurer.

3. APPROVAL OF MINUTES OF SPECIAL COUNCIL MEETINGS OF OCTOBER 24 AND 25, 2007, AND NOVEMBER 6, 2007 REGULAR COUNCIL MEETING

Cwmn. Behrens, seconded by Cm. Tesmer, moved to approve the minutes of the special Council meetings of October 24 and 25, 2007 and the November 6, 2007 regular Council meeting. The motion carried on a voice vote.

4. PUBLIC HEARINGS

a. PUBLIC HEARING ON 2008 BUDGET.

President Mielke opened the public hearing on the 2008 budget and stated if anyone wished to speak on this topic, he or she should come to the podium and state his or her name and address for the record.

The City Manager stated that since the Council budget workshops the Governor changed the levy limit for 2008 from 2% to 3.86%. Due to this change, the City Manager has proposed four possible scenarios to utilize some or all of the unused levy capacity.

1. Leave the Budget as proposed resulting in a levy increase of 1.87% and a tax decrease of \$0.013. (Proposed)

2. Eliminate the 2008 fire inspection fees for commercial/industrial properties. 2008 was to be the first year the City would charge for this service. The Revenue Budget would decrease by \$30,000, the expenditure restraint percentage would be at 2.58% (which should be well within the formula), the levy would be up 2.4%, and the tax rate would increase \$0.022. (Scenario 1)
3. Increase the funding for the 2008 street program by \$50,000 to \$400,000, which would be the level we projected we could eliminate special assessments for street work. The expenditure restraint percentage would be at 2.58%, the levy would be up 2.68%, and the tax rate up \$0.045. (Scenario 2)
4. A combination of 2 and 3 above, this would increase our tax levy by \$80,000 (revenue loss \$30,000, spending increase \$50,000), and still qualify the City for the expenditure restraint payment at 2.58%, within the levy limit of 3.86% at 3.28%, and a tax rate increase of \$0.08.

The scenarios presented would allow including moving the \$25,000 sidewalk allocation from the capital projects to outlay portions of the budget. This is done for a couple reasons: a) Boosts our expenditures up for the increases for next year; b) Gives it a more permanent funding as part of the outlay budget; and c) Moves a relatively small amount from the capital project section, which is generally made up of larger projects.

It does not appear we will have this opportunity again in the near future, as levy limits for us should be at 2%. By increasing our levy slightly, it really offers the City the opportunity to remain free of fees and special assessments. The larger levy proposed under scenario #3 will accomplish this at a relatively small cost and really set the City up for probably the next five years with level property taxes and manageable budgets. Sometime in the future we will have to incorporate fees, but probably not for at least the next couple years.

Certainly a selling point for an increased levy, i.e. scenario 3, could be: a). A slight 1.2% rate increase, b). Elimination of fire inspection fees, c). No more street special assessments for routine roadwork, d). 100% funding of our operations, debt service and capital projects budgets, and e). Budget relief in future years.

The City Manager stated he is not really one to run up the tax levy, but \$110,000 of unused levy capacity left on the table may be too much when it only increases our rate \$0.08, and really provides the City with some leeway for this and the next several years. He stated he still likes the idea of including our costs on the tax bill rather than fees and charges, which are not deductible for income tax purposes.

After three calls and hearing no further comments, President Mielke closed the public hearing on the 2008 Budget.

1. ADOPTION OF 2008 CITY, SEWER AND WATER BUDGETS.

Cm. Zastrow stated that basically what the Governor is telling us is that we can't leave money on the table with this levy increase. He believes the City should put the levy as close to the limit as possible. Increasing the sidewalks and road budgets and eliminating special assessments is a good thing. The real question is whether to start charging fire inspection fees this year or next year.

President Mielke stated he also believes the main question is whether the fire inspections should be funded through user-fees or spread out on the tax roll. He also noted that since day one many people have approached him and requested that special assessments be dropped.

The Council discussed the four options and after asking several questions the general consensus was to not leave money on the table that can't be recovered in the future and to hold off on fire inspection user-fees, increase the street program budget and eliminate special assessments.

Cm. Zastrow, seconded by Cm. Simdon, moved to focus on Scenario 3 for the City budget. The motion carried on a voice vote.

Cm. Zastrow, seconded by Cm. Simdon, moved to adopt the 2008 City (Scenario 3), Sewer and Water budgets. On call of the roll, the motion carried unanimously.

2. APPROVE RESOLUTION CONFIRMING LEVY FOR CITY PURPOSES.

The City Manager reviewed the tax levies for each of the taxing jurisdictions and stated the overall tax rate before the State School Credit is \$21.48, up about \$0.62 from last year. The final assessed valuation for the City is \$876,870,800 with an assessment ratio of 97.81%.

The following resolution was displayed on the overhead projector at this time:

RESOLUTION NO. 1127

WHEREAS, the financial requirements for 2008 municipal operations and estimated revenues have been determined as follows:

EXPENDITURES:

Government	\$ 838,165.00	
Public Safety	2,998,710.00	
Health & Social Services	25,900.00	
Public Works	2,081,150.00	
Culture & Recreation	1,536,998.00	
Conservation & Development	151,390.00	
Public Service Enterprises	<u>64,000.00</u>	
	\$7,696,313.00	+3.99%
Outlay Expenses	<u>\$501,630.00</u>	
	\$8,197,943.00	+2.58%
Debt Service	<u>\$ 554,843.00</u>	
(Less: Gen'l Fund Advance)		
TOTAL GEN'L FUND EXPENDITURES	\$8,752,786.00	
Less Revenues	<u>\$3,306,490.00</u>	
(Other than Property Taxes)		
	\$5,446,296.00	
Capital Project – Road Improvements	<u>\$ 400,000.00</u>	
	\$5,846,296.00	+3.35%
Plus Tax Increment for TIF Districts	<u>\$ 120,208.67</u>	
Net Expenses Over Revenues	\$5,966,504.67	
TAXES LEVIED FOR CITY PURPOSES	\$5,966,504.67	+3.28%

SUMMARY OF PROPOSED TAX RATE BY FUND

<u>GENERAL FUND</u>	<u>LEVY</u>	<u>RATE</u>
Revenues (excluding property tax, debt service & capital projects)	\$3,306,490	
Expenditures	<u>(8,197,943)</u>	
Net Surplus (Deficit)	<u>(\$4,891,453)</u>	
NET TAXES - GENERAL FUND	\$4,891,453.00	\$5.578305264*
<u>DEBT SERVICE FUND</u>		
Revenues	\$ -0-	
Expenditures - Principal & Interest	<u>(554,843)</u>	

RESOLVED that the City Council hereby approves and confirms the amounts proposed to be appropriated to the several taxing districts for the year ending December 31, 2007.

BE IT FURTHER RESOLVED that the City Clerk is hereby authorized and directed to spread against the total assessed valuation of property in the City of Fort Atkinson heretofore determined to total the amount of \$876,870,800 upon the General Tax Roll for 2007 a tax rate of \$21.483072387 per thousand of assessed valuation.

Cm. Zastrow, seconded by Cm. Tesmer, moved to approve the resolution confirming the total levy to be collected and approving the overall gross tax rate. On call of the roll, the motion carried unanimously.

4. MOTION TO APPROVE SPECIAL ASSESSMENTS AND DELINQUENT BILLS TO BE INCLUDED IN THE 2007 TAX ROLL.

The City Manager reviewed the special assessments and delinquent bills with the Council.

Cm. Tesmer, seconded by Cm. Simdon, moved to approve the special assessments and delinquent bills to be included in the 2007 tax roll in the amount of \$77,044.14. On call of the roll, the motion carried unanimously.

5. APPROVE ORDINANCE AMENDING SEWER USE CHARGES.

The following ordinance was displayed on the overhead projector at this time:

ORDINANCE NO. 656

2008 Rate

The City Council of the City of Fort Atkinson does hereby ordain as follows:

That Chapter XXI, Section 21.09(D)(9), be amended as follows:

In accordance with the procedures outlined in the City Ordinance No. 21.09(D), SEWER USE CHARGES, shall be as follows:

BOD	0.603 per pound
S.S.	0.764 per pound
TKN	1.553 per pound
Phosphorus	1.600 per pound

The charges for BOD, S.S., TKN and Phosphorus will be used for surcharging users that discharge higher than domestic strength wastes.

The equivalent rate for domestic strength wastewater shall be \$4.53 per thousand gallons.

In addition, the charges to Jones Dairy Farm for domestic strength waste, BOD, S.S. and TKN will be in accordance with the 1991 contract.

The annual fixed rate charge will be \$61.20 per year per sewer hook-up.

All ordinances or parts of ordinances in conflict herewith are hereby repealed.

This ordinance shall take effect and be in force for meter consumptions beginning in November and billable in January, 2008 for non-sampled customers (Class A), and January 1, 2008 for sampled customers (Class B, C and D).

Cm. Simdon, seconded by Cm. Tesmer, moved to suspend the rules and pass the ordinance to amend the sewer use charges through its second and third readings. The motion carried on a voice vote.

Cm. Simdon, seconded by Cm. Tesmer, moved to approve the ordinance amending the sewer use charges. On call of the roll, the motion carried unanimously.

5. PETITIONS, REQUESTS AND COMMUNICATIONS

None.

6. RESOLUTIONS AND ORDINANCES

None.

7. REPORTS OF OFFICERS, BOARDS AND COMMITTEES

Cm. Simdon, seconded by Cwmn. Behrens, moved to accept and file the minutes of the Dwight Foster Public Library meeting held October 1, 2007; the Building, Electrical and Plumbing Permit reports for October, 2007; the minutes of the Water Tower Committee meeting held September 27, 2007; the minutes of the Planning Commission meeting held November 13, 2007; and the minutes of the Historical Society Board meeting held October 18, 2007. The motion carried on a voice vote.

8. UNFINISHED BUSINESS

a. REVIEW AND APPROVE AMENDED EASEMENT WITH ENBRIDGE FOR PIPELINE IN KLEMENT BUSINESS PARK.

Cm. Zastrow, seconded by Cwmn. Behrens, moved to approve the amended easement with Enbridge for a pipeline in the Klement Business Park. On call of the roll, the motion carried unanimously.

9. NEW BUSINESS

- a. REVIEW AND APPROVE 911 JOINT POWERS AGREEMENT WITH JEFFERSON COUNTY SHERIFF'S DEPARTMENT.

Cm. Simdon, seconded by Cm. Tesmer, moved to approve the 911 Joint Powers Agreement with the Jefferson County Sheriff's Department. The motion carried on a voice vote.

- b. REQUEST FOR SUPPORT OF JEFFERSON COUNTY BIKE PLAN UPDATE.

The City Manager stated Jefferson County is proposing to update their 1996 County Bike Plan and are in the process of seeking funding from the communities. The plan is expected to be somewhere in the \$50,000 range and Jefferson County is proposing to pay roughly half of the expense with the other half coming from the communities in the County and the Jefferson County Bike Club. The City's share would be \$4,000.

The City was planning on doing a bike plan internally anyway to at least map where our bike lanes are on roadways, where our bike path is through the City, where our parks are and how we can connect them all together. Also, with Highway 26 having bike lanes in the future it will be important to have those mapped, so the City knows where links exist to connect all of the bike paths.

Cm. Tesmer, seconded by Cm. Zastrow, moved to approve the request for support of the Jefferson County Bike Plan update, contingent on commitments from the other governmental units and a City share not to exceed \$4,000. On call of the roll, the motion carried unanimously.

10. MISCELLANEOUS

- a. GRANTING OPERATOR LICENSES.

Cm. Simdon, seconded by Cm. Tesmer, moved to approve the following list of applicants for operator licenses for the 2006-2008 license period:

PROVISIONAL: Jennifer Kracht for use at Stop N Go

REGULAR: Amber Rowe for use at Velvet Lips
Elizabeth Gernetzke " " Southside Shell
Eric Kammer " " Blackhawk and Bienfang's

The motion carried on a voice vote.

b. REQUEST TO SET LICENSE COMMITTEE MEETING DATE.

The Council set a meeting of the License Committee for December 3, 2007 at 4:30 p.m.

c. CITY, SEWER AND WATER FINANCIAL STATEMENTS AS OF OCTOBER 31, 2007.

The City Manger stated this will be the last month reviewed until the year-end review. The City received its final road aids of approximately \$162,000 in October and the final shared revenue payment just arrived in November. Building permits were at \$11,000 for October due to four new housing starts, a new dental clinic and a hospital addition. Expenditures through October should be in the 83% range and most accounts are at or below this number. City Expenses overall are at about 81% and revenues are at about 87%.

In Fund 6 the settlement with Covert-a-Couch has been completed and will be adjusted in November. In Fund 12 there will start to be some activity with the booster station project. In Fund 13 were completing the accounting for the new Bicentennial Park and working on the Sherman Avenue/Main Street parking lot.

There is not much to report from a month ago with the Sewer Utility; the expenses are running at approximately 82% and revenues at 87%. In assets, there is still about \$81,000 left in construction funds and the treasurer's cash is at about \$377,000, so the operating revenue has been built up pretty nicely during this calendar year.

On the balance sheet for the Water Utility under the assets there is approximately \$189,000 in treasurer's cash, which was running negative or right around zero for many months this year. The new rate increases have put the Utility back in to a good cash position. There is still about \$155,000 in construction funds. Both the Sewer and Water construction funds were for the Sherman Avenue project. Expenses for the Water Utility are right in at 83% and the revenues are at 88%.

Cm. Zastrow, seconded by Cwmn. Behrens, moved to accept and file the City, Sewer and Water Financial Statements as of October 31, 2007. The motion carried on a voice vote.

11. CLAIMS, APPROPRIATIONS AND CONTRACT PAYMENTS

a. VERIFIED CLAIMS.

Cm. Simdon, seconded by Cm. Tesmer, moved the bills in the amounts of \$324,380.96 for the City (Fund 1); \$34,169.44 for the Sewer Utility (Fund 2); \$13,439.76 for the Water Utility (Fund 3); \$5,622.62 for Debt Service (Fund 4); \$3,668.75 for the 1901 Water Tower (Fund 8); \$20,142.25 for Downtown Economic Development (Fund 13); \$245,305.42 for Payrolls 22 and 23;

\$95,984.70 for Sewer Utility Debt Service; and \$991.66 for Water Utility Debt Service as per Schedule N-58 on file in the office of the City Clerk/Treasurer and as audited and approved by the Finance Committee be allowed and orders be authorized drawn on the proper funds for their payment. On call of the roll, the motion carried unanimously.

12. ADJOURNMENT

Cm. Zastrow, seconded by Cwmn. Behrens, moved to adjourn the November 20, 2007 regular City of Fort Atkinson Council meeting at 7:47 p.m. The motion carried on a voice vote.

/s/ Matt Trebatoski
City Clerk/Treasurer