

**MINUTES OF A SPECIAL COUNCIL MEETING
2010 BUDGET WORKSHOP
FORT ATKINSON, WISCONSIN
October 27, 2009**

1. CALL TO ORDER

President Mielke called a special meeting of the City Council to order at 7:00 p.m. on Tuesday, October 27, 2009 in the Council Chambers of the Municipal Building.

2. ROLL CALL

On call of the roll, members present were:

Loren Gray
Davin Lescohier
John Mielke
Mark Zastrow

Richard Schultz was excused.

Also present were the City Manager, City Engineer, City Clerk/Treasurer and various department heads throughout portions of the meeting.

3. REVIEW OF THE 2010 BUDGET

The City Manager began the meeting by reviewing his Budget Message with the Council. The City Manager said the format of the Budget is similar to previous years, with the exception of the addition of the Stormwater Utility section. The proposed increase is just over 3%, and the levy limit is 3%; however, we are allowed to carryover a portion of the previous year's unused levy limits, which amounted to approximately \$28,000. The City Manager indicated that 66% of the Budget comes from property tax levies and the remaining 34% comes from State aids and other revenue sources.

The 2010 City Budget for general fund expenditures is projected to increase 0.09%. The garbage and ambulance contract increases are tied to the CPI increase, which have minimal increases. Moving the stormwater utility off the levy, gave the City the flexibility to operate in 2010 without any major cutbacks in City services.

In 2010, we are going to spend more on elections. The taxi program had a big increase due to a reimbursement formula change. There are also new tipping fees, the stormwater fees that will impact our facilities and rejoining the Jefferson County Economic Development Consortium which will hopefully assist in getting activity in the Business Park. Also included in the Budget is an amount to cover the rate increase for Wisconsin Retirement and an initial interest payment for the Library project borrowing.

Our future concerns are the levy limits, declining fund balance, funding post-retirement health care costs, labor costs, debt service cost for the Library, utility costs, slow growth in the Business Park and expanding the staff at the Library.

The City Manager stated the City does not have a lot of user or impact fees. Our building permit fees are well below other communities.

Cm. Gray questioned what transpired in the Business Park TIF that required the transfer of funds. The City Manager indicated it was the debt service for the infrastructure.

Fire Department

The Fire Chief reviewed the Fire Department budget with the Council. The fire inspection service account was reviewed and it was indicated that it is hoped in the near future to hire an additional individual or contract out the service to stay within inspection compliance. The inspections are currently being done by paid-on-call firefighters to supplement a full-time inspector. There is a grant being looked into for additional personnel.

Public Works

The Public Works Superintendent reviewed the City Garage and Street Machinery budgets with the Council. Supplies in the street machinery account were increased for 2010 due to repairs, cost of gas and oil. The City Garage budget has an increase for fuel and stormwater utility fees.

The Public Works Superintendent briefly reviewed the following related accounts with the City Council: Water Patrol, Street Superintendent, Public Works Supervision, Street Maintenance, Curb & Gutter, Snow & Ice Control, Street Name Signs, Traffic Control, Street Lighting, Sidewalks, Parking Lots, Airport, Recycling/Refuse Collection, Festivals/Art/Riverwalk, Forestry, Weed Control, Industrial Development and Stormwater Utility. The Superintendent said a portion of his wages as well as the Public Works Supervisor's have been shifted into the Stormwater Utility account.

Stormwater Utility

The City Manager then reviewed the Stormwater Utility budget. There is \$302,000 in projected revenues in this account. The Equivalent Runoff Unit (ERU) for a single-family home will be \$4.60/bi-monthly. The City will be applying for a grant to assist in paying for the purchase of a street sweeper.

Wastewater Utility

The Wastewater Utility Supervisor reviewed the Utility budget. He said they are down in residential revenue. There is also approximately a \$150,000 shortfall on industrial quarterly sampled. The sludge truck's maintenance is increased for tire replacement. The Supervisor indicated the sick leave account took a hit this year because they had an employee out on family/maternity leave and another employee who had surgery during the year. The rate for this year is \$4.53/1000 gallons and the 2010 rate is projected at

\$4.57/1000 gallons. The fixed rate is \$63.60 for 2009 and is projected at \$66.60 for 2010.

The City Manager then reviewed the debt retirement for the Wastewater indicating that the plant is operating at a deficit, but he is not concerned since the last payment on the plant is in 2011, which will decrease the debt payment by approximately \$1,000,000 per year.

Library

The Library Director reviewed the Library – County Resource and Library – City budgets with the Council. The County does give the Library funding to provide library service to rural residents in Jefferson County. There is an increase in the A.V. line item because they are in the process of replacing videos with DVDs. The Library – City budget will include 2% wage increases and contain no other unusual items or increases.

Municipal Building

The Parks & Recreation Director reviewed the Municipal Building budget with the Council. He indicated the only work done at the Municipal Building was to enlarge the counter space in the City Clerk's office and to replace an exterior door.

Youth Center

The Parks & Recreation Director reviewed the Youth Center budget with the Council. He said each student using the Youth Center is charged a \$10 fee for the entire school year.

Senior Center

The Parks & Recreation Director reviewed the Senior Center budget with the Council. The Senior Center budget tends to be steady from year to year. The Center funds their activities through fees charged for activities.

Recreation

The Parks & Recreation Director reviewed the Recreation Department budget with the Council. The Director said there is some form of activity through their department every day of the year, with the exception of approximately 25 days. He said fees charged for the dance program cover approximately 80% of the cost of renting the auditorium at U.W. Whitewater.

Aquatic Center

The Parks & Recreation Director reviewed the Aquatic Center budget with the Council. He informed the Council the supplies and maintenance account was over budget this year due to the cost of the youth triathlon held. He said next year this event will be operated as a capital project.

Parks

The Parks & Recreation Director reviewed the Parks Department budget with the Council. He informed the Council that by having one of their fulltime employees work

from Tuesday – Saturday from Memorial Day through Labor Day saved a lot on overtime salaries.

City Council

The City Manager reviewed the City Council budget with the Council. The 2010 budget is basically the same as 2009. He said the cost of publications is up a little this year due to the length of meeting minutes which have included numerous ordinances.

Municipal Court

The City Manager reviewed the Municipal Court budget with the Council. He said the budget is up due to the required training for the new Judge.

City Manager

The City Manager reviewed the City Manager budget with the Council. The budget is basically the same. The City Manager's wage was reduced in the budget, as a portion of his wage will come from the Stormwater Utility budget in 2010.

City Clerk/Treasurer

The Clerk/Treasurer reviewed the City Clerk/Treasurer budget with the Council. There is a reduction in the Clerk/Treasurer's wage, as a portion of it will be coming from the Stormwater Utility budget in 2010.

Assessor

The City Manager reviewed the Assessor budget with the Council. The City Manager informed the Council that the Department of Revenue is attempting to make assessing County-wide and getting rid of the local assessors. The Department of Revenue is also suggesting the County's go through a full revaluation each year to attempt to keep all properties at 100% value.

City Attorney

The City Manager reviewed the City Attorney budget with the Council. There were no changes to this budget other than wage increases.

City Scape

The City Manager reviewed the City Scape budget with the Council. The City Scape budget is funded through the City lodging/room tax. Approximately 70% of the room tax funds collected go to the Chamber for their tourism department.

Elections

The Clerk/Treasurer reviewed the Elections budget with the Council. For 2010, there will possibly be four elections, and therefore the accounts have been increased.

Debt Retirement

The City Manager reviewed the Debt Retirement portion of the budget with the Council. The City Manager said for the first time in his memory, the equalized value of the properties in the City declined. The City has a limit of indebtedness of approximately

\$45,000,000, and we have used almost 37% of that; our goal is to stay at or below 50%. For the Water Utility, debt service has stayed pretty much consistent. T.I.F. District No. 6 has a final payment due to the Klement family in April of 2014. In T.I.F. District No. 7, which is the downtown T.I.F., we are almost at a break-even point.

4. ADJOURNMENT

Cm. Zastrow, seconded by Cm. Gray, moved to adjourn the October 27, 2009 Special Council meeting at 9:58 p.m. and to reconvene at 7:30 p.m., October 28, 2009. The motion carried on a voice vote.

/s/ Matt Trebatoski
City Clerk/Treasurer