



City of Verona

Finance Committee
City Hall – 111 Lincoln Street
Verona, WI 53593-1520

MINUTES
FINANCE COMMITTEE
September 17, 2018

The meeting was called to order by Chairperson Chad Kemp at 6:00 p.m. in Conference Room D110

Roll Call: Chairperson Chad Kemp, Alder Kate Cronin and Alder Christine Posey were present.

Also present: City Administrator Jeff Mikorski, Finance Director Brian Lamers, Judge Bill Weigel, Public Works Director Theran Jacobson and Jim Ferolie from Verona Press.

Discussion and Possible Action regarding approval of September 10, 2018 Finance Committee minutes: Motion was made by Kemp, seconded by Cronin to approve the September 10, 2018 Finance Committee minutes with no amendments. Motion carried 3-0.

Discussion and Possible Action regarding 2019 Budget: Judge Bill Weigel discussed the operation of the Municipal Court and stated that the budget is usually stable year to year. He stated that they see approximately 2,500 people a year and some on multiple occasions. They hold 30 court sessions a year. He has a monthly salary and there is a clerk that works 30 hours a week. He stated they have found efficiencies through electronic processing even though there are more cases. The major budget item is legal under professional services for \$35,000 which is for outside legal services.

Public Works Director Theran Jacobson discussed the public works budget and stated that one of the things that increased in personnel was an increase of overtime which was mainly due to in house engineering and not needing to contract out for a consultant. Jacobson talked about the utility line item within the public works budget and there was an increase due to increased rates from the utility budgets. Lamers stated that within the office supplies line item for the public works, water, sewer and storm there is a replacement of a server that will be moved to the capital outlay line item, there will not be a change in the total budgets just the change in line items. Jacobson went through most of the line items and discussed what they are for to the committee. Under professional services there is an increase of \$20,000 which was shifted from the Planning budget for engineering charges for items such as site plans. Under repair and maintenance there was \$20,000 added for pavement marking and line painted for center lining and bike lane markings. Discussion took place regarding the cost of buying lights or renting them from Alliant. Under operating equipment budgets there is an attachment for a sweeper for the skid loader which will help for cleanups without needed the sweeper truck.

Jacobson went into the refuse and recycling budget and stated that the rate has been flat over the last couple year and the proposal is to go from \$170 a year to \$176. A couple of the changes is

an increase in overtime of \$10,000 needed to stay open on Monday evenings and Saturdays and also a change in health insurance from single to family plan. The largest budget item is the contract with Waste Management which has increased.

Jacobson explained that the water budget revenues do not include the proposed increase that was submitted to the PSC (Public Service Commission). Contribution revenue went from \$800,000 to \$300,000 and this is developer contribution which fluctuates each year based on development. Jacobson explained that overtime was increased due to inspection being in house instead of being contracted out. Utility expense increased partially due to Well 6 coming online. Professional services went from \$135,000 to \$46,000 and repair and maintenance went from \$84,600 to \$197,600 which is just a shift on presentation. The majority of cost in repair and maintenance is the contracted services of \$105,000 for the maintenance of the 3 towers.

Jacobson explained in the sewer budget that the proposed increase is not included in revenues. Overtime wages are adjusted also for in house inspection. One of the biggest expenses is the contracted service for treatment from the MMSD (Madison Metro Sewerage District).

Jacobson went over the storm water budget and stated that the budget does include the fee increase that will be adjusted in October. There was an increase in overtime due to the construction inspection. In repair and maintenance there was an increase of \$100,000 for dredging. In the past the dredging was typically included in capital and debt was issued but this is a maintenance item and should be covered under regular operations.

Lamers started going over the budget in general. He brought up the health insurance rates were released from the state and with the providers that are in this area we have to use the average and the City pays for 88% of that average. What had happened were 2 of the plans that are not used dropped significantly and the plan that over 90% of the employees are on went up. This shifted more of the cost of health insurance to the employee. A family health insurance with no deductible cost to the employee will go from \$41.53 a month to \$153.35 a month for example, which annual cost to the employee went from \$498.36 to \$1,840.20. Lamers explained with the 5% estimated increase to the city for insurance that was built into the budget but since the city cost actually dropped that was a levy drop of approximately \$60,000. Lamers also explained dental insurance was going up approximately 4% which was an increase in cost to the city of approximately \$4,000. Lamers explained that there is still a lot of numbers and information we are waiting for but we are looking at estimates. We are estimating the ERP (expenditure restraint program) funding to be approximately \$200,000 and we are also waiting for general transportation aids estimates. If we do get \$200,000 from ERP and using 4% increase as an estimate, the estimated reduction in expenditures would have to be around \$450,000 to hit the ERP to get funding in the 2020 budget. If using the \$200,000 for ERP and the estimated increase in assessed value of \$100 million, the estimated decrease in levy would have to be estimated at about \$300,000. Lamers explained there is a lot of moving things happening like the thermal imaging cameras we are likely to get grant funding for, the command car for the EMS may be taken out of the budget and the electronic poll books were denied for grant funding and will be eliminated from the capital budget. Lamers asked the Committee what is the direction they would like to see us go. He stated we could leave everything as is but it would hurt the 2020 budget with losing the ERP and it would increase the mill rate. Kemp stated he would like to go to the worst case scenario and try to get the budget reduced. Cronin felt that the tax payers pay enough in taxes and with the increases in the utility charges. Kemp would like us to go back to

the department heads and ask them to review their budgets and come up with a list in priority order of reductions within their budgets with a deadline. Mikorski stated that we would be having a department head meeting and would have the discussion with the department heads at that time.

Adjournment: Motion was made by Kemp, seconded by Cronin, to adjourn the Finance Committee Meeting at 7:46 p.m. Motion carried 3-0.

Respectfully submitted,
Brian Lamers CPA
Finance Director