

ABSTRACT/SYNOPSIS OF THE ESSENTIAL ELEMENTS OF THE OFFICIAL ACTIONS OF THE FINANCE COMMITTEE OF THE CITY OF WHITEWATER, WALWORTH AND JEFFERSON COUNTIES, WISCONSIN.

Finance Committee Meeting Minutes of October 11, 2022

Video of this meeting can be found online at <https://www.whitewater-wi.gov/AgendaCenter>

1. **Call to Order and Roll Call** – The meeting was called to order by Finance Committee Chair, Greg Majkrzak, at 4:30 pm. Finance Committee members present: Greg Majkrzak, Lisa Dawsey Smith, and Lukas Schreiber.
2. **Hearing of Citizen Comments** – there were none.
3. **Discussion and Direction on the Following:**
 - a. **2022-2023 Budget Review** – Finance Director Steve Hatton stated that this is the second of three special Finance Committee meetings to review the amended 2023 budget, which was originally adopted in November 2021 as part of a biennial budgeting process. This meeting will be reviewing Library, Parks and Recreation, and a number of special revenue funds. Hatton indicated that there were a few changes in the budget that was presented to the Council on October 4, 2022. Updated State Transportation Aid amounts were received. The aid will be about \$6000 less than estimated. As a result, Intergovernmental Revenues went down \$6874. This decrease was offset with an increase to Interest Income in the same amount. Hatton said that he still feels that the interest income number is conservative. The other change is in Scenario B, should the referendum not pass. This is to hold open a vacant patrol officer position, per the request of the Finance Committee. At the close of calendar year 2021, there was a surplus of \$260,000 that was put into fund 210 until the Fire/EMS integration had taken place. A portion of this surplus is being transferred into the general fund in the 2023 Budget to fund this patrol officer position should the referendum not pass (Plan B). There is a corresponding offset in the police patrol officer cost center. City Manager Weidl stated that this is a one-year fix. The Plan B Scenario in its entirety is a fix until the City can decide if it is going to referendum again and what that would look like. Hatton stated that it is better to fund the position through a transfer in instead of using general fund balance. Hatton said that the Library Director had not arrived at the meeting, so they would begin by going through Parks and Recreation.

Parks and Recreation Budget – Hatton stated that there are slight changes from the original 2023 budget. These include a 4% wage increase for all employees, and slight changes in the benefits lines. The most notable change is that Recreation Administration, Recreation Programs, and Seniors Programs are all blank. All of the activity from these three funds is being transferred to fund 248, the Recreation Programs fund. This will mean that all revenue and expenses for programs related to parks and recreation will be in one place. Hatton indicated that in the past, about \$30,000 was transferred into the General Fund from Fund 248 to cover the overhead costs, but now with those three funds incorporated into Fund 248, there will be an outgoing transfer from the General Fund to Fund 248 to help balance that fund.

Parks Administration – Parks and Recreation Director Eric Boettcher stated that this is for anything dealing with administration. This is mainly salaries and benefits. Some of the allocation for this has changed from the original 2023 budget. This is because the Recreation Administration salaries were in the General Fund and now are reflected in this account (Fund 248).

Park Maintenance – This account is for maintenance of trees and landscaping when outside vendors are paid to come in and do mowing, if they don't have enough seasonal staff. Seasonal staff wages come out of the Wages/Temporary account.

Community Events and Facilities – This is for anything that the Parks and Recreation sponsors for community events. In the past, there were funds given to the 4th of July, but those funds are now going to the purchase of the amphitheater.

Community Based Cooperative Projects Expense Detail – Boettcher stated that this is the funding for the Aquatic and Fitness Center, which is Fund 247.

Facilities Maintenance – Boettcher said that this includes 2 full time, plus part time staff to maintain seven facilities.

(Councilmember Gerber joined the meeting virtually at this point – 4:44 pm)

Library Facility Maintenance – Hatton stated that this is a separate cost grouping for maintenance at the library. Weidl asked if the City owns the building. Boettcher said that the City doesn't own it, just takes care of it. Hatton indicated that the portions relating to the facility are carried in the General Fund rather than the Library operating budget.

Fund 217 – Building Repair – Boettcher said that this is money to cover anything that breaks at facilities. The goal is to reach \$100,000 balance in this fund to use for unexpected repairs, such as an elevator breaking down. Weidl asked what happens at \$100,000? Is that just a goal? Boettcher said that it's just a goal. Hatton said that if the balance reaches \$100,000, contributions to this fund could be moderated or discontinued. Weidl asked if there are any planned expenses out of this fund for 2023, or if it is purely reactive. Boettcher stated that it is purely reactive.

Fund 225 – Skate Park - Boettcher stated that the skate park is funded through donations. If resurfacing or maintenance needs to be done at the park, this the money would come from this fund. Hatton said that there are no known budgeted revenues or expenses for this fund, but it carries a balance of about \$5400.

Fund 240 – Parkland Acquisition – Boettcher said that this fund is for purchasing new parkland. Development fees would also come from this fund. Hatton stated that there

are no budgeted revenues or expenses for this fund, which carries a balance of about \$53,000.

Fund 254 – Parkland Development – Boettcher said that this fund comes out of park dedication fees. This is to fund playground replacement and additions. This fund is also being used with the arboretum at Starin Park grant program. This fund is paying expenses that will be refunded with grant money when it comes in.

Fund 246 – Field of Dreams - Boettcher stated that tournament revenue funds this account. Team numbers have been low since pre-Covid, but are starting to build up again. Hatton stated that at the end of 2021, there was a fund balance of a little more than \$60,000. The goal is to have a fund balance of \$100,000 for field replacement when needed. This is intended to be a self-sustaining fund. There are Sports Coordinator wages that come out of this fund, as well.

Fund 247-Aquatic Center – Boettcher said that this is the fund used to run the Aquatic and Fitness Center. Boettcher is looking to finish the year with a positive balance in the fund since pre-Covid. Majkrzak asked about the roof on the building. Hatton stated that it is almost 20 years old, and is coming to the end of its life.

Fund 248-Parks and Recreation Special Revenue – Boettcher said that this is the fund with the biggest change. All programs were moved to this account to more accurately show program revenue and expense. These aren't new items, they were just moved from a different place in the budget (General Fund).

Fund 272-Lakes Improvement – Boettcher said that this account has been dormant since the lake-drawdown project began. The lakes project came out of Capital Fund 450, not this fund. This fund is used for weed harvesting and lakes assessments, which are currently being paid for as part of the lakes project. After 2023, when the lakes project is complete, this fund will be revived.

Fund 459-Depot Restoration – Boettcher said that this fund is used to do upgrades to the old train depot. There are currently no projects planned. Hatton said that this fund is carrying a balance of approximately \$30,000, which was mostly fundraised in the past when the building was last renovated.

Fund 200 – Media Services – Hatton said that, historically, this is where the City has carried the TV station. It has now been expanded to include social media, press releases and the city website. The revenue comes mainly from the cable franchise fees that the city receives. This revenue has been declining with the increase of streaming platforms. With TDS coming, revenues will hopefully increase.

Fund 205 – 27th Payroll – Hatton said that every 11 years, there are 27 pay periods for the year. With the payroll per pay period totaling about \$200,000, that is not something the City can absorb in a single budget year. Each year, \$15,000 is set aside in this fund to cover this extra payroll. Majkrzak observed that the fund will still be short \$50,000, and we may want to consider increasing the annual amount set aside.

Fund 208 – Parking Permits – Hatton stated that this fund is for the revenue generated from the sale of parking permits for the City parking lots. The intent is to accumulate a balance adequate to fund repaving and restriping the City parking lots. The goal is to have a balance of \$125,000. Smith asked when the last time parking permit fees were raised. Hatton said he didn't know and would have to research that.

Fund 235 – Rideshare Grant Program – Hatton stated this program is funded by grants from the Federal and State governments and fare box revenue. Ridership has been declining since 2012 and it is becoming more difficult to fund. This is the last year of a 5-year contract for the Rideshare Program.

Fund 260 – Sick Leave Severance – For employees hired prior to 2011, upon leaving employment with the City, they could be paid for accumulated but unused sick time. This fund is for those payouts. There are a few remaining employees that are eligible for this.

Fund 271 – Insurance-SIR – This fund is set aside for any liability claims against the City, according to Hatton. The City is responsible for the first four claims up to \$25,000 each per policy year. The fund is the reserve for claim payments. If the reserve is built up, the City may look at higher deductible insurance to save costs. The last claim paid was in 2021.

Fund 452 – Birge Fountain - This fund was created for a large restoration project on the fountain. It has also been used for smaller maintenance expenses. A reserve for a major restoration or repair is maintained in this fund. There are no significant projects on the horizon.

Fund 920 – Innovation Center – Hatton stated that this is the fund for the operation of the Innovation Center. Most of the revenue for this fund comes from rent. Since beginning, there has been a pilot payment to TID 4 in the amount of \$92,500 annually. With the closure of TID 4, that \$92,500 will remain in this fund for capital replacements, such as the geothermal system or roof. Majkrzak asked if that amount will be seen in the fund. Hatton replied that it would, it will build up in the fund for capital expenditures.

Fund 220 – Library – Library Director Stacey Lunsford said that most of the library's revenue comes from the City, but a portion comes from services provided to rural

residents in adjacent counties (Walworth, Jefferson, and Rock). Walworth County has changed its funding formula and because we belong to a regional library system including Jefferson County, not Walworth, it is funding the library as if it is in an adjacent county, not at the same level as the rest of the libraries in the county. This has resulted in a reduction in revenue of around \$23,000 for the budget years of 2022 and 2023. This reduction coupled with the increased cost for digital offerings is creating a need to address the changing needs and funding. Majkrzak asked if the contract revenue is expected to increase. Lunsford said that it is based on the number of people who actually come into the library and check something out. After Covid, she just can't predict what that will be. Hatton stated that the General Fund transfer out to support the library is \$470,000 for 2023.

Hatton stated that he will look into Fund 205 to make sure the funding numbers are correct and Fund 208 to see when parking permit fees were last increased.

Majkrzak said that some of the funds do not have targets included. He asked that if there is a target that it be included in the description.

4. Future Agenda Items – None.

5. Next Meeting Date – October 13, 2022 at 5:30 pm.

6. Adjournment – Smith moved to adjourn. Schreiber seconded. Motion passed on unanimous voice vote. Meeting adjourned at 5:26 pm.

Respectfully Submitted,

Andrea Jacobs
Administrative Assistant/Deputy Clerk