

FINANCE COMMITTEE

October 12, 2017

Call to Order: Chairman DeWitt called the Special Finance Committee to order at 5:00 p.m. in the Municipal Building Council Chambers. It was noted that the Finance Committee would be jointly meeting with the Water and Sewer Commission for the during the first portion of the meeting.

Roll Call: Members Present: Chairman DeWitt, Aldermen Stebnitz and Schroeder. Water and Sewer Commission Members, not serving on the Finance Committee, who were also present: Water & Sewage Commission members: Joe Salitros, Ron Pippitt, and Mayor Nieuwenhuis. Also Present: City Administrator Pieroni, Director of Public Works Wendorf and Finance Director Hayden.

Public Comments and/or Communications: None.

Review 2018 Budget: The Commission and Finance Committee review the proposed 2018 Utility Budgets. Operational costs were discussed. Due to the manner in which wages & benefits are budgeted, a concern was raised relative to understanding this cost component. Ms. Hayden to provide a separate report showing actual figures in same format as the budget. Ms. Pieroni noted that this will give a better picture of how total costs for wages & benefits have changed over time. Non-benefit & wage line items that showed a significant change for 2018 were reviewed. Also discussed were line items that seem to routinely come in well below budget. The capital projects proposed for 2018 as well as the proposed 10-year capital plan were then reviewed. Mr. Salitros questioned the water loop. He also questioned why Deferred Special Assessments are being held by the General Fund and not the Utility.

Following the review of the Utility related budgets, Commissioners Salitros and Pippitt left the meeting. The Finance Committee then continued their review of the other Capital Improvements proposed in 2018 and the 10-Year Capital Plan.

Capital Projects: A concern was raised as to the projected 2018 year-end fund balance. The need to reduce the 2018 expenditure level was discussed. The Committee agreed to remove from the budget the Veterans Park parking lot renovation project that was budgeted at \$100,000. Also removed from the budget was the \$5,000 for the upgrades to the traffic signal heads at Wright and Racine. The need for the removing of one street project, either Borg Road or Whispering Pines Drive, was also discussed. Staff will contact the Town of Delavan to attempt to delay the Borg Road project for another year.

The Public Works and Parks and Recreation operating budgets were then discussed. Considerable discussion was held relative to the Building and Zoning Division budget. It was noted by Ms. Pieroni that this budget was developed based on the continuing use of contracted inspectors that are paid by the hour. It also provided funding for supplemental planning assistance. The budget reflects amounts based on 2017 experience but also includes contingencies for possible changes in the workload in 2018. The budget is slightly under the 2017 Budget.

Based on the discussions on these specific operating budgets and the discussions that occurred at the October 10th Finance Committee meeting, as well as possible modifications identified through internal staff discussions, Committee members agreed to the following changes:

Expenditures

<u>Department</u>	<u>Item</u>	<u>Original Budget</u>	<u>Change</u>	<u>Final Budget</u>
City Clerk	Office Supplies (Defer recodification to 2019)	11,750	(11,000)	750
Assessor	Property Assessment Exterior versus Full Reval.	116,020	(13,000)	103,020
Misc. Gen Gov.	Contingencies Defer Tuition Reimburse to 2019 Reduce Strategic Planning	62,000	(11,000)	51,000
Police	Training	20,150	(650)	19,500
Police	Gas & Oil	43,000	(2,000)	41,000
Police	Operating Supplies Defer to 2019-portable surveillance	24,300	(3,500)	20,800
Police Dispatch	Office Supplies	1,900	(1,000)	900
Engineering	City Engineer	18,000	(5,000)	13,000
Mechanic	Operating Supplies	9,100	(500)	8,600
Street Maintenance	Salary & Benefits	467,486	(18,123)	449,363
Street Maintenance	Gas and Oil	44,500	(4,500)	40,000
Street Maintenance	Snow and Ice Control	45,000	(5,335)	39,665
	Total General Adjustments	863,206	(75,608)	787,598

Revenue Changes

<u>Department</u>	<u>Item</u>	<u>Original Budget</u>	<u>Change</u>	<u>Final Budget</u>
General Fund Rev.	Public Charge for Services Bill for Auto Accidents	0	10,800	10,800

Adjourn: There being no further business to come before the Finance Committee, the meeting adjourned at 8:20 p.m. upon a motion by Alderman Stebnitz, seconded by Alderman Schroeder and unanimously carried.