MONONA CITY COUNCIL COMMITTEE OF THE WHOLE MINUTES
REVIEW OF 2017 OPERATING BUDGET
November 2, 2016

The meeting of the Monona City Council Committee of the Whole was called to order by Mayor Miller at 5:17 p.m.

Present: Mayor Robert Miller and Alderpersons Brian Holmquist (arrived late), Jim Busse, Doug Wood, Chad Speight, Mary O'Connor, and Andrew Kitslaar

Also Present: City Administrator April Little, Finance Director Marc Houtakker, Director of Economic Development/City Planner Sonja Reichertz, Senior Center Director Diane Mikelbank, Library Director Erick Plumb, Public Works Director Dan Stephany, and City Clerk Joan Andrusz

ROLL CALL AND PLEDGE OF ALLEGIANCE

APPEARANCES

Sharon Kilfoy, DAMA Director appeared before the Council and provided information on the mural project proposed for the well building at the corner of Broadway and the Beltline by South Towne.

COUNCIL REVIEW OF 2017 OPERATING BUDGET

Finance Director Houtakker distributed reports and reviewed expense and revenue decreases and increases to get the net budget increase and then added in the effect of the unassigned general revenues to get to the total levy increase. Graphs were reviewed of departmental increases over 3 years, increases in Police and Fire Departments over 5 years, and the tax bill increase for the City's portion alone.

Director of Economic Development/City Planner Reichertz reported on Planning and Community Development Authority. Both decreased. The Planning Intern decreased based on specific use. CDA support staff costs decreased with Gary Becker going independent upon his retirement. He will continue as CDA consultant at a lower rate. Marketing and Renew Monona decreased. Finance Director Houtakker reported when TIF 2 closes the City will get $1,670,000. After tax districts are paid the entire amount goes to Renew Monona of which 75% has to be used for affordable housing and 25% to improve the City's housing stock. City Planner Reichertz reported the statute is vague; the program targets lower cost housing that is 120% of a medium assessed home value. This will be reviewed by the UniverCity because now personal lives and incomes of residents are not considered. Alder Busse stated "affordable housing" is not defined but the City wanted lower priced homes targeted to encourage improvement.

Alder Holmquist arrived.

Senior Center Director Mikelbank reported on the Senior Center. East Madison Coalition of Aging funds are used for home chore program personnel and have increased 2% to 5%. The Friends of the Monona Senior Center charges $8 for resident memberships, $2 of which goes to the City and $10 for non-residents, $4 of which goes to the City. The rest of the funds go toward the newsletter. Newsletter use will decrease with the online LPI system so fees were reduced to they wouldn't be dependent on the funds. Salaries have increased to cover 1,020 additional hours for both part-time staff to be in the office because more seniors are coming to the Center and are staying longer. There is no space for additional staff. Alder Holmquist reported now that the Friends are a non-profit the membership fee portion paid to

the City should be looked at, and advertising fees will be reviewed. Every dollar raised goes back into programs.

Library Director Plumb reported on the Library. Child and young adult programming has increased and City's funding portion has increased to take the pressure off the Friends of the Monona Public Library group with all funds going to programming. Building maintenance was increased to cover actual costs. $28,000 was spent on HVAC service calls in the last 3 years. Mayor Miller wants the new Director to research a Capital Budget HVAC project. County funding is falling due to the formula used for the calculation and a strategy is needed to deal with that. Facilities aid is based upon physical use of the facility but circulation is down. Five public libraries are very close by. Alder Wood reported the County funding pool is shrinking because of the addition of new libraries. Library Director Plumb reported non-resident circulation has decreased; that used to be 55% of users. Better marketing could have been done on the zero late fee fine. Middleton is the only other library offering that benefit.

Alder Kitslaar stated programming brings in non-residents. The Director position is posted online and applications will be considered after December 1 with installation in March or by April 1. In the interim Business and Facilities Coordinator Sally Buffat will run the office and Technical Services Coordinator Matt Heindel will cover programming. The salary is higher than was in the budget but is a range. Finance Director Houtakker stated if it ends up at the high end it would be covered if the person started in March or April.

Public Works Director Stephany reported on Public Works. The year is ending slightly over budget because of an unexpected transformer replacement, but 2017 is only slightly increased. Alder Holmquist requests a summary page of Department staff allocations. Finance Director Houtakker will provide that; it is required for state aid. He will look at reducing the Utility On-Call Pay budget .5% to the required fund balance level. The water rate will increase 15% based upon different user categories. Residential is based on conservation rates. Commercial and multi-family have a different conservation rate. Revenues have to be 1.25% of expenditures for revenue bonds and because they are utility bonds the revenues have to be in the water utility fund. Alder Busse wants any general funds that relate to utilities moved to this fund. This gets disclosed every year to Standard & Poors and Moody's.

Public Works Director Stephany reported GIS mapping service is now done in-house by Project Manager/GIS Specialist Brad Bruun and the intern and includes software and licensing. Information was provided on the following funds:

- General Buildings and Grounds
- Highway/Street Administration
- Engineering – salary reduction due to a less experienced staff hire.
- Shop, Machinery, and Buildings – telephone reduced as the landline is not used as much.
- Street Maintenance – median and terrace maintenance was reallocated to part time wages.
- Forestry – half of brush pick-up was moved to the stormwater budget. Only 3 blocks in Dane County qualified for gypsy moth spraying. The one lot on Shore Acres and the Wallace Avenue area have infestations but they are not bad enough or big enough areas to qualify. He gave Mayor Miller the Dane County letter to residents. Finance Director Houtakker stated a technical amendment will be needed to remove this funding.
- Water Utility – Maintenance Service is increased because of more breaks and leaks on services. Six staff members rotate and are paid $100 per week to be on call. They must carry their cell phone and have travel restrictions. Two hours of overtime is paid automatically if they are called in. With the 2013 SCADA upgrade they now have iPads and can work from where they are

instead of coming in. They are paid for 15 minutes of overtime when they log on. Fuel & Additives decreased based upon $2.50 for gasoline and $2.95 for diesel.

- Solid Waste Disposal – Finance Director Houtakker congratulates Public Works Director Stephany for negotiating a decreased contract price.
- Storm Water Utility – storm main televising has caught collapses.

Sewer Utility – the projected increase from Madison Metropolitan Sewerage District (MMSD) since September 15 is 8.26% but the Public Works Committee approved 6.5%. Mayor Miller will look into a decrease that he thought was discussed. Finance Director Houtakker reviewed a spreadsheet he and Public Works Director Stephany have created in trying to figure out this increase. Pumping matches what is charged and many factors were reviewed. Public Works Director Stephany reported the carbonaceous biochemical oxygen demand (CBOD) problem is not the City's issue. Well use is basically static. North of Winnequah Road has Madison water and is only billed for sewer use by Monona. Charges are determined by the City sending MMSD usage from metered accounts and MMSD has 8 or 9 manhole locations with flow measurement devices that records the total and the inflow and infiltration (I & I) amounts. Billing versus flow totals was reviewed and water and sewer billing usage is consistent. Rainfall amounts were compared.

The difference is caused by I & I. Infiltration is groundwater seepage into manholes and the sewer main. Inflow is caused by illegal attachment of sump pumps to the sewer main to handle drainage due to higher rain fall. Mayor Miller questioned whether this could be caused by cracked sewer mains. Public Works Director Stephany responded there will always be some I & I but the fact of more rain makes it clear sump pumps are the problem. Mayor Miller questioned whether the City's or the home's mains are leaking. Public Works Director Stephany responded clear water can be seen coming from the laterals via videos done in July and he can tell which house it's coming from. Copps Avenue, Shato Lane, and the Midmoor Road area are high use areas. An I & I study is in the 2018 Capital Budget. It will be done by an engineering firm who will do extensive testing. The City may be required to budget for more rain as rainfalls are more frequent and abundant. Mayor Miller read in the MMSD minutes that a vote will be taken on reducing the average user charge to 4.88%. Public Works Director Stephany stated a letter will be received when they finalize rates. Mayor Miller thanks Finance Director Houtakker and Public Works Director Stephany for finding MMSD's error and notifying them. Public Works Director Stephany stated that he needs time to look at the videos and would then knock on doors and ask to see sump pumps.

Alder Speight reported he saw a "well service" sign an area yard even though wells are illegal and questions whether there could be flow from them. Public Works Director Stephany responded he will check into that as it shouldn't be there. Private wells require a permit and have to be inspected by the state to make sure they are not cross-connected to any City supply. He is still finding wells in the City; some residents don't even know about them. There were 158 in the mid-1990's and it is down to 30 to 40 active or abandoned. Alder Speight questioned whether fines for violations could offset the study cost. Public Works Director Stephany responded public education will be done along with dye and smoke testing which can be seen inside and outside of a house. Homeowners may incur costs for repairs or the City may agree to cost share. Infiltration sites will be found. Sump pump removal is inexpensive; sewer lateral replacement is costly. Finance Director Houtakker stated there may need to be a policy written prior to this work. Mayor Miller thanks Public Works Director Stephany for this preliminary work.

City Clerk Andrusz reported on Clerk and Elections. There are no substantial changes. Election salaries remain level from year to year as a convenience because they raise and lower depending on how many elections there are. The "3 strike" vote rule, election observer process, and polling place security was discussed.

City Administrator Little reported on the following funds:

- Legislative/Judicial/Legal
- Executive Office – members request clarification from Project Manager/GIS Specialist Brad Bruun on the duties and costs of the Sustainability Intern.
- Administration/General Government – Finance Director Houtakker reported efforts are being made to reduce use of the City Attorney. A different attorney is used for labor negotiations. Mayor Miller reported City Attorney Cole explained his costs. An in-house attorney would require law library updates and support staff that he doesn't charge the City for now. Most cases are now complete. Legal work on the Riverfront project will be paid through the TIF. City Administrator Little stated Ordinance re-codification required attorney consultation; these costs will be reduced. She consults the League of Wisconsin Municipalities when possible. Property assessment walk-throughs were divided over 4 years. There is only one retiree now with a sick leave bank that can be used for a pre-tax 401k or health insurance.

Finance Director Houtakker reported on the following funds:

- General Fund Revenue – the City was grandfathered so hotel tax can be kept at the 2014 amount in 2017, the 2013 amount in 2018, etc. so will decrease each year. Transportation aids have decreased because Monona Drive was taken off. The state calculates this based upon a 6 year average of Capital Budget costs for street and utility construction and police allocation. It can increase a maximum of 1.5% and decrease a maximum of 9% per year. Building permit fees need review and could be increased. Alder Speight requested they be clarified to be clearer for applicants. Finance Director Houtakker reported dog and cat license fees, court fees, and interest will increase. The new Court Clerk started today. There is potential for a new cell phone vendor for water tower space rental. Transfers from other funds is overhead that is charged.
- Finance – he will go out for bids for audits when the final TIF reports are received.
- Debt Service

TIF #2 – Pier 37 can be a donor district for 10 years. He wants an extra year to donate to TIFs #4 and #5 to get them paid off. Waiting gives time for a UniverCity study of what constitutes affordable housing. He will look into the deadline for Renew Monona use. Transfers to TIFs #4 and #5 end in 2017 and will be re-financed to pay them off. He is looking to pay off TIF #5with re-financing and re-structured debt. The fund balance is at 20%, $1.3 million, and he wants to be at $1.1 million. Alder Busse noted to maintain the bond rating the City shouldn't go below 15%. Finance Director Houtakker explained the effect of TIF #2 closure. It reduces the mil rate. The City's tax amount is offset by equalized value. Mayor Miller suggests a new TIF report be done. Only TIF 2 needs a decision now.

- TIF #4 – Monona Drive; does not have a lot of value. The economy substantially affected this; high assessments dropped.
- TIF #5 – Garden Circle was purchased because it was a high crime area. It was a social issue more than economic. The apartments were up for sale and needed to be purchased quickly.
- TIF #6 – Principal and interest payments. UW and Meriter Clinics; this is doing well and may be a donor district.
- TIF #7 – Principal and interest payments. Fairway Glen; doing well.
- TIF #8 – Principal and interest payments. Treysta on the Water; doing well and may be a donor district.
- TIF #9 – Principal and interest payments. Riverfront project.

- Parkland Fund – there are no funds because currently there are no building projects. There will be when the Riverfront is done if it includes housing at $1,100 per unit.
- Transit – a 5-year contract was just approved. 58% is paid by a state grant. There is a $6,000 increase for property taxes. Revenues have increased slightly and marketing is included.

Finance Director Houtakker reported the first reading will be on Monday, November 7 with the second reading and final approval on November 21. Amendments should be turned in to him by noon tomorrow to be included in the packet or by noon on Monday to be handed out at the meeting. Further amendments should be turned in to him the Wednesday or Thursday before the second reading for final approval.

Alder Wood reminded members to keep in mind all of the increases residents face in their living expenses and next year will be a difficult one. Serious consideration should be made to reductions and delays.

> A motion by Alder Speight, seconded by Alder Wood to Convene in Closed Session under Wisconsin Statute section 19.85(1)(c) Considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility (Department Head Salary Adjustment). On a roll call vote, all members voted in favor of the motion.

Upon reconvening in Open Session:

ADJOURNMENT

> A motion by Alder Busse, seconded by Alder Holmquist to close the Committee of the Whole, was carried. (9:49 p.m.)

Joan Andrusz
City Clerk