

MONONA CITY COUNCIL COMMITTEE OF THE WHOLE MINUTES
REVIEW OF 2022 OPERATING BUDGET
October 20, 2021

The meeting of the Monona City Council Committee of the Whole was called to order by Mayor O'Connor at 5:45 p.m.

Present: Mayor Mary K. O'Connor and Alderpersons Nancy Moore (via Zoom), Kathy Thomas, Jennifer Kuhr, Doug Wood, Kristie Goforth, and Molly Grupe

Also Present: City Administrator Bryan Gadow, Finance Director Marc Houtakker, Public Works Director Dan Stephany, Senior Center Director Diane Mikelbank, City Planner Doug Plowman (via Zoom), Police Chief Brian Chaney Austin, Fire Chief Jerry McMullen, and City Clerk Joan Andrusz

ROLL CALL (the Pledge of Allegiance was recited at the preceding meeting)

COUNCIL REVIEW OF 2022 OPERATING BUDGET

Finance Director Houtakker reported there is an increase of \$1,500 in Executive Office Other that wasn't included in the budget book. He distributed and reviewed a report on net new construction. The City is the 3rd lowest in Dane County. It is difficult to increase this and the tax levy limit is an ongoing issue for Monona. In future, if this doesn't increase, the Council may need to consider a referendum.

He reviewed a Power Point presentation of the budget summary. The City has a one-time levy limit increase of \$254,017. The City did qualify for expenditure restraint; if it's not maintained, the City will lose \$127,000. Total property tax increased \$624,061; the City is now under the levy by \$9,759. Debt service is exempt. The average house, assessed at \$387,300, has an average property tax increase of \$215.25.

Non-represented salaries increased 2.5%. This will be the last year of Police and Fire contracts. The Fund Balance is at 22%; the Council's policy is 15% to 20%, so he proposes using \$125,000. The Fund Balance is not used to cover operations. Increases and decreases across accounts and expenses and revenues per department were reviewed. The Recreation Department brings in the most revenue; high expenses are covered and revenue is leftover. Challenges include the cost of health care at almost \$1 million and that net new construction is needed. Utilities were reviewed; no water increase is planned.

City Administrator Gadow reported he is in the process of doing an analysis of IRS rules for American Rescue Plan Act (ARPA) funds. These are provided to assist the state, counties, and municipalities to offset 2020 COVID-19 revenue losses. Funds are received in two installments. Monona received just over \$800,000. Final guidelines will be provided by year-end. Staff will provide ideas for use of these funds and the Council would distribute as they see fit. There is no need to spend this right away, the City has until 2024 to use it. Municipalities have to interpret guidelines. They can be audited and required to pay back funds if they are wrong. Roads are not eligible, but infrastructure under them is. Not all will be Capital items, but they shouldn't be used for operations because that can get the City into a hole. Funds can be used to make up the revenue gap but can't go into the Fund Balance. Finance Director Houtakker reported the funds are deposited into a separate, segregated fund for easier tracking.

Finance Director Houtakker provided information throughout Department Head's presentations.

Public Works Director Stephany distributed a budget highlight document with increases and decreases in operations and maintenance related accounts in his department sections. Some accounts were decreased to meet the budget restrictions. City Hall utilities were increased based on cost increases. The cleaning service was expanded to include the radio station. Repair & Maintenance Services was the largest increase, \$7,300, to fund needed building repairs. Rain Garden & Landscaping Maintenance was the largest decrease, \$2,800, to meet the budget constraints.

Public Works Administration – Engineering, Highway Street Engineering, and Shop, Machinery, and Buildings accounts had minor changes. Shop Telephone costs increased by \$1,000 because there are several data plans, cellphones, laptops, and the fax machine. The Department has transitioned from hand-held radios to cellphones; he audits this every two years.

In Street Maintenance & Construction, Median & Terrace Maintenance is increased by \$2,400 to meet upkeep requirements. Barnes cleans up nine street name rock walls in the spring. Fuel was discussed; prices are expected to increase, so the account was increased \$13,000. The crew gets a 5 cent per gallon discount at the pump from Landmark and Kwik Trip. He met with Madison to look into bio-diesel, but that is on hold now. Getting the product would be a problem; crews would have to go to Madison or install a tank. Removing previous tanks resulted in a large decrease in liability insurance. City Administrator Gadow reported there is no storage nearby, though it was talked about at the Monona golf course. In Snow & Ice Supplies there is 100 tons of salt leftover. Salt use is low which is a cost savings.

In Road Related Facilities, Street Lighting Utilities decreased by \$17,000. This covers replacement if a pole and light is totaled due to vehicle accidents. Restitution efforts are not always successful. It is not a Capital Budget item because it is not an annual cost. Finance Director Houtakker stated he will look into this possibility.

Forestry was increased by \$2,500 for brush collection to meet contract pricing. All increases in Solid Waste Disposal were contract-based. The Waste Management contract runs through December, 2023. In the Storm Water Utility, the Adaptive Management Fee was decreased by \$5,300 based on SLAMM model updates from City changes. Street Sweeping Disposal increased by \$2,680 based on need. Brush Collection increased \$2,500 due to contract price increases. In the Water Utility there was a decrease of \$9,850 because the water tower floors were painted. The loss of the biggest customer, Becton Dickinson, is being made up with the new apartments. MMSD's Sewer Disposal Service projected 8% increase is expected to be \$80,404. This will be adjusted when the final amount is known. Finance Director Houtakker reported the increase is usually 6% to 8%, but it varies. Staff met with them 2 months ago; infiltration and inflow (I & I) is a large issue, causing a higher rate every year. MMSD's costs go up based on their projects.

Senior Center Director Mikelbank has raised her budget 1% across all accounts; there are no major program changes. The Retired Senior Volunteer Program (RSVP) provides rides for seniors; use was reduced because of COVID-19. 25% of her budget goes to New Bridge and much of it pays salaries. Because of the only 1% increase they have a lot of staff turnover, however they don't decrease their services. Getting volunteers is challenging, especially with COVID-19. The Council wants information on comparative payments from other municipalities; Senior Center Director Mikelbank stated she can ask New Bridge what it needs. Center attendance and programming is close to 80% of pre-COVID-19 levels; the choir is singing with masks on.

City Planner Plowman appeared via Zoom reporting he kept his accounts the same. He hopes to go to back to conferences next year; he didn't spend those funds this year.

Police Chief Chaney Austin stated service, leadership, and teamwork are his goals for the Department. Community events do cost money so he will work with what's provided but needs more. Anticipated vacancies need to be filled; he wants promotional materials for job fairs. He wants more funding put into recruitment and professional development. The fitness program and requirement could be shifted to community events; fitness and wellness events may be promoted. In Dispatch, the records management and MPSIC service contracts have increased. A new reporting system was reviewed and proposed that highlights use of force incidents and addresses wellness needs.

Fire Chief McMullen reported the Department will need a new Medical Director. Individual doctors don't provide this service anymore so he will need to go with the UW's cost of \$16,800. He reviewed accounts to set them at what is actually paid. The goal in the Paid On Call program is to be over-budget because that means more volunteers are responding than are on the schedule. The Paid On Premise (POP) now accounts for all the time used so will need to be increased. Monona is one of only three Departments that pay a stipend and not minimum wage. He will bring back proposals for next year. POP participants used to be able to come from home and be paid as POP, but that ends January 1st; from then on they have to be at the station. Staff has been advised. Projected ambulance revenues are on target. In the LTE budget he removed the pay increase and one shift, going from 10 to 9, to cover the \$11,000 increased Medical Director cost; he will add the pay increase back in the next year.

City Clerk Andrusz reported all accounts in the Clerk's and Election budgets were kept level. Professional Development was reduced under the assumption the new Clerk or new Deputy Clerk wouldn't be going to training during their first year.

Finance Director Houtakker reported that copy machine service contract costs have increased. Color copying costs more, especially for large plan documents needed in the Planning Department. Other supplies and expenses have increased, including tax bills, envelopes, and the informational letter sent each year. City Administrator Gadow reported lease versus ownership has been explored; the City still comes out ahead with leasing.

Finance Director Houtakker reviewed TIFs. These figures will change; they are a rolling number based on the tax levy. TIF #4, Monona Drive will be paid off. TIF #5, Garden Circle gets donor funds from TIF #6, the health clinics. TIF #7, Fairway Glen is very successful and will be paid off this year. TIF #8, Treysta, will be paid off and is a donor district. TIF #9 is the Riverfront.

Finance Director Houtakker reviewed other funds. Highway Transportation Aids only increased a small amount. License fee revenue was reduced; there are four liquor licenses available. Court fees are increasing since the low caused by COVID-19. Parking violations have reduced. Alder Grupe wants the City to consider diminished tobacco sales in Monona in the future. Finance Director Houtakker reviewed increases and decreases in revenue. Transfers from Other Funds are charges for services the General Fund provides, like payroll, insurance, etc.

Mayor O'Connor reminds members the next Committee of the Whole to review the Operating Budget is a week from tonight at 5:30 p.m.

ADJOURNMENT

A motion by Alder Grupe, seconded by Alder Wood to close the Committee of the Whole, was carried. (8:01 p.m.)

Joan Andrusz, City Clerk