

City of Lodi Finance Committee Meeting
Minutes of September 19, 2017

1. Call to Order

The Finance Committee meeting was called to order by Stevenson at 2:00 p.m.

Committee Members present: Rich Stevenson, Eric Hansen and Peter Tonn

Staff present: Kennan Buhr, Scott Klicko, Sandy Bloechl, Trish Frankland and Julie Ostrander

Others present: Mayor Jim Ness, Alder Suzanne Miller, Library Treasurer Neil Heskin, Park President Adele Van Ness

2. Public Input: None

3. Minutes of August 1, 2017

Motion by Tonn, second by Hansen to approve the minutes from the September 5, 2017 Finance Committee meeting. Motion carried.

4. Department 2018 Budget Reviews

I. Library Operating and Capital Projects

Heskin went over the library organization chart. There are 4.4 employees and the 2018 request has been increased from \$198,883 to \$217,000. Heskin pointed out the biggest thing to look at are salaries. In 2015, large wage increases were implemented and then toward the end of 2016 they were revoked. The library board structured a plan to have employees back to larger wage increases in 5 years. The board is proposing a 10% increase for 2018. The library is increasing their request of city funds from \$128,750 to \$135,000. In 2016 The Friends of the Library, which was founded by Library board past and present members, brought in \$10,000, and for 2017, they are projected to increase that amount to \$20,000. The library board funds will also be increased from \$25,059 in 2017 to \$36,306 for 2018. Tonn stressed that he knows what a nice library we have and that he and his family have enjoyed using it. Tonn reminded everyone that library uses a city building for free and that the city funds more than its share of the library. Tonn has gone to a Town of Lodi meeting and presented them with data that proves that the town contribution is at about 75% for the amount of people who live in the town that use the library. Tonn tried to see if the Town of Lodi would increase their funding without success. The city tax money is carrying the majority of the financial burden for the library. Tonn is suggesting that the amount of money the city allocates to the library is decreased. Frankland stated that they do not have the ability to deny service based on what township someone lives in. Regarding capital projects, they have listed \$25,000 for basement repair because of the amount of water that comes in. Buhr met with a company for an estimate that came in at \$25,000 which is a worst case scenario. The basement is used for record storage and a few fixtures. The roof project that was done went well. Future capital projects are to replace furnaces. There are four furnaces, so they are projecting to fix two of them in 2019 and the other two in 2020. Tonn suggested to Heskin to make a presentation to see if the Town of Lodi would consider contributing more funds to the Library. Hansen asked Heskin if he would let them know when they are going to a town meeting.

II. Police Operating and Capital Projects

Klicko is requesting to increase his part-time benefited officer to a full-time position. Klicko gave a breakdown of the costs involved to recruit, hire and train a part-time police officer. The total came to \$13,500 for one officer. They do have a contract in place with the current part-time benefited officer that states if they leave before one year's time, they must reimburse fixed costs to the police department. Klicko pointed out that they have gone through \$70,000 worth of part-time officers in the last few years. If the benefited part-time police officer goes full-time, Klicko projects there would be a \$10,000 savings to the city in overtime pay. Klicko also pointed out that the county is in the process of improving some state mandated programs which will end up saving our police department a substantial amount of money. Klicko couldn't give a timeframe on when the new programs would be in place. Klicko informed the

committee that the school has added \$10,000 to their budget to have police presence in schools. Tonn thought that the amount wasn't enough to substantiate the cost of adding another officer. Tonn asked where we are at with police coverage in the Town of Lodi. The current hourly rate is \$50 and the average time spent is about 500 hours a year. Those numbers will not help pay for another full-time officer. Tonn liked the idea of reducing overtime and making the part-time officer full-time if additional funding sources (school & Town of Lodi) contributed more. The requested capital items for 2018 are computer replacement in the amount of \$13,500, \$45,000 for a new squad car, \$5,500 for radios and weapons, \$4,000 to have radar mounted in the truck, and \$3,000 for RMS Upgrade at the County level. The RMS upgrade amount may not be needed if the county upgrades to new state mandated program. Office furniture replacement for \$1,000 was listed as a capital item that Ostrander said needed to be moved to operating.

The Canine Fund has so far been paid for through donations and joint fundraising efforts. Klicko stated that Portage and Columbia County will do a joint fund raising effort with the City of Lodi for canine units.

Stevenson informed the committee that the EMS sold the 3rd ambulance and used the funds to pay for a third FTE position. They now are asking for an increase of \$20,000 for a new ambulance. Concerns were voiced at how the EMS has recorded and used capital funds. The mayor stated that on September 28th he's attending a meeting with the Town of Lodi Chair, Town of West Point Chair, and Chuck Pursell from the Lodi School district to discuss the EMS & Fire Dept. Stephenson also raised concerns that the Fire Dept. is seriously looking at a new building within 5 years. The Fire Dept. has increased their requested funds by \$24,000, and the EMS has increased their requested funds by \$22,000 because of the 3rd FTE that was hired. Tonn asked when voting will take place for the EMS & Fire Dept. budgets. There is a joint meeting scheduled for November 6th at 5:30 pm. This date will not work because the city because of the time constraints to publish an approved budget. It was suggested that Ostrander contact the Town of Lodi clerk to try and reschedule the joint meeting to an earlier date.

III. Parks Operating and Capital Projects

Van Ness stated that she has met with Buhr and Ostrander on the budget. It was pointed out by Ostrander that wages had to be increased because they were budgeted too low. Bloechl pointed out that there was an unbudgeted increase in the hourly rate for a parks employee and public works employees had to do more work than normal this past year. Tonn is concerned with the large increase for 2018. Capital projects for 2018 are 110 feet of Spring Creek wall for \$30,000 and softball park restrooms for \$60,000. Buhr explained that the building is splitting and that the bathroom section is leaning away from the concession section. The fans and duct work in the pool chemical room need to be replaced which will be \$6,000. Tonn stated that we shouldn't be spending that kind of money already and that we need to go back to the contractor and have them fix this error. Buhr said that MSA did come out and look at the issue and didn't charge us. Tonn wanted to know why the pool was approved with materials that weren't going to last. Remaining capital projects for 2018 are \$5,000 for new parks, \$6,000 for cameras for the pool, \$3,000 for a dog park, \$3,500 for park equipment and \$100,000 for a separate ADA compliant bathroom plus replacing fixtures in current bathroom in Habermann Park. Van Ness said she plans on checking into renting out the softball field shelter to generate a more income for parks. It was also noted that for 2019 MSA has estimated that the bridge over Spring Creek would cost \$120,000.

The increase in pool maintenance wages was due to Johnson being the only certified pool operator on staff. He was called in several times on the weekends and had to fill out the paperwork during the week. This time was usually overtime. There was also a pipe that broke this summer. Tonn suggests that a large sign be installed with a donation box asking for contributions since the pool costs \$52,000 a year to

operate and there is no money coming in for this. The committee spoke about implementing a fee to use the pool and considering fundraising ideas.

IV. Public Works Operating and Capital

Buhr presented the public works budget and stated he tried to keep it close to the 2017 budget with only a 2% increase. Tonn noticed that there were some big changes within the budget, but not a big difference on the bottom line.

The capital projects list was extensive. Reynolds road for the new school is a huge cost and too much of it is falling on the city. Buhr said the city either spends thousands to move water main or spend thousands and move road. The mayor stated that the Town of Lodi plans on applying for a grant in March, but wouldn't know if they were successful until August. Another option is to have only one side of the road urban. The \$1,000,000 amount of projected expenses includes an estimated \$120,000 for the city's portion and \$380,000 as a delayed special assessment until the Ballweg property is developed or sold. Tonn suggests that the city tells the school that the city is not financing the entire cost for improving the road for the new school. The mayor will give Chuck Pursell a call on Wednesday to try and set up a meeting. Another big project is Fair St from Milston to Pond St and Pond St. These projects total \$593,000. Ostrander said Sweeney is trying to find a grant to help with this project. Stevenson asked what the chances are of receiving grant money and Ostrander said that she thought the city would get a little but couldn't say how much. The waterway in TIF district by Dollar General to take care of Joyce Dr flooding estimated at \$300,000. Tonn is attending a seminar on geosystem that may cost considerably less. Tonn will bring more information on this to the next meeting. The remaining capital projects are replacing Buhr's truck which is split 4 ways, replacing the chipper truck, and updating the GIS system.

Ostrander explained that the Solid Waste budget will be ending since special fees will be taking its place. Ostrander also suggests that the Wheel Tax fund is closed and receipt the money directly into the Capital Projects fund since that is where the money's use is designated.

V. Electric Distribution, Water and Wastewater

Ostrander pointed out that electric fund is decreasing rapidly and recommends a rate increase. Tonn was also concerned that the electric utility isn't earning enough money to cover debt. In the budget, Buhr also pointed out the large increase in lineman wages.

Buhr covered electric capital projects portion. He pointed out that he kept \$100,000 in the budget for the conversion project because that is about how much is being spent in 2017. Then, besides the usual list like transformers, meters, and poles, there is \$40,000 budgeted for a new trencher. Buhr also mentioned that the trencher that they are replacing should have a resale value. Buhr mentioned the electric portion of his truck replacement is \$10,000. Ostrander suggested moving a few items out of capital and into operating like the iPads and miscellaneous tools. Ostrander mentioned that most items under a \$2,000 should be listed under operating and not a capital item.

Tonn expressed concern that the water cash has been decreasing year after year. Buhr said that is because the street repairs that have water infrastructure updated have been using the cash and not borrowing.

The water capital projects list is extensive. The largest items are the booster station on Reynolds Rd for the new school for \$1,200,000. Buhr stated that this cost should be shared with the School and Grothman. The backup generator for Well #4 for \$225,000 should also be a shared cost with Grothman. The reservoir tank at Pleasant St. needs repair, which is estimated at \$20,000, annual main replacement is another large item at \$298,316.

The sewer budget includes a 3% rate increase for 2018 that has already been approved by the utility commission. Buhr explained the projects that are needed. Sewer replacement from Clark St to the city limit has come in at \$231,000. Tonn stressed that the city cannot keep doing complete replacement of infrastructures under streets year after year and that the criteria has to change. Stevenson said that the criteria are based on state guidelines. Buhr pointed out that Prospect from Strangeway to Chestnut was just a mill & pave and watermains are always breaking up there. Tonn understands, but the city cannot afford large projects like that every year. Buhr explained that the sludge holding tank cover needs replacing, but they don't have a cost on that yet. Buhr warned that in 2019 the sewer pipe that runs under the pool all the way to the sewer plant needs to be lined which may cost about \$145,000.

VI. Administration/General Operating and Capital

Tonn suggested that Ostrander bring back some updated numbers and that the committee meets again on October 3, 2017 at 3:30 pm. Tonn also suggested that the library portion is reduced to \$125,000, no new money for the EMS until there is more transparency, and if the town and school add to their budgets then we can accept another FTE police officer.

5. Date And Time of Next Meeting

The next scheduled Finance Committee meeting will be on Tuesday, October 3, 2017 at 3:30 p.m.

6. Adjourn

Motion by Tonn, second by Stevenson to adjourn. Motion carried and the meeting adjourned at 6:40 p.m.

These minutes have not been approved and are subject to change or correction.