

In attendance:

Mayor Steve Bierce, Aldermen B. Bergman, C. Brown, B. Dziwulski, J. Kara and J. Wamser. R. Grosch attended the meeting virtually.

Also in Attendance:

Administrator S. Klein, DPW Director M. Wagner, Fire Chief K. Bierce, Park & Recreation Director N. Phalin, IT Director B. Kewan, Director of People and Culture K. Woldanski, City Planner & Community Development Director N. Fuchs, City Assessor R. Tuff, Assistant Assessor R. Aho, Library Director N. Champe, Clerk/Treasurer K. Tarczewski, Accountant C. Sazama and Payroll Specialist N. McMillian.

1. Call to Order and Pledge of Allegiance

Mayor Bierce called the meeting to order at 6:00 p.m. and requested everyone stand for the Pledge of Allegiance.

2. Discussion and Possible Recommendations Regarding the Proposed 2020 Budget for the City and Utilities

Mr. Klein stated the proposed tax levy is \$9,957,982 which is a 1.73 percent increase from last year's levy. The max is the same as what the City has done without utility debt. Mr. Klein stated there was a glitch in the proposed tax rate. The formula showed an increase, but there was actually a 1.2 percent decrease, changing from \$3.35 per thousand to \$3.31 per thousand. With the levy amount being lower, the assessed value went up. Mr. Klein stated the proposed fund balance is 26.9 percent of revenues after transferring \$615,000.00 to the capital fund. The goal is to keep the fund balance above 25 percent, ending 2020 with a projected balance of 32.4 percent or more depending on projects and purchases. A higher balance shows stability to Moody's. Mr. Klein stated there was a decline in building permits although there are new developments coming in 2021. There was a decrease in revenues, fines and forfeitures due to an unknown level of traffic enforcements. There was an increase in ambulance runs, contracted building inspection services and contracted fire services and storm water. There was a decrease in room tax revenues. Mr. Klein stated the City is no longer receiving recycling aid for carts or recycling from the County.

Mr. Klein summarized the following:

- Board of Review increase due to next year's revaluation.
- Elections decrease due to only two elections scheduled next year.
- Employee Services increase due to the proposed wage and benefits study.
- Assessors Department increase due to additional staffing for next year's revaluation.
- IT decrease due to less software updates.
- Police Services increase due to the additional personnel that were hired this year.
- Fire Department increase due to the hiring of a Chief and three full-time firefighters.
- Decrease in Engineering and Streets because wages are being charged out to other departments.
- The quiet zone was moved out of Engineering and put into road projects. Nothing is in the budget because traffic counts are needed first.

- Deer management project remains the same.
- Fireworks contribution remains the same.
- Capital projects include some minor remodeling at City Hall and a larger project to build a new Public Works facility off site.
- Road design for the cemetery should also be considered since they are in such ill repair.

Mr. Kara asked what assumptions were made. Mr. Klein stated 15 percent was factored for health insurance and we will know the final number at the end of October. The assessed value is only an estimate at this time since the Department of Revenue will not release the numbers until October or November. Mr. Kara felt it was good that the City was able to come out with a tax rate decrease. Mr. Kara stated capital equipment is lower than it has historically been. Mr. Klein stated big items including a fire truck and ambulance were taken out and that makes up the difference. Mayor Bierce asked what the \$240,000.00 is and stated the City is putting in more than that. Ms. Sazama stated the other money was coming from general fund transfers per the recommendation of Ehlers because it uses money from Water and Sewer debt service to increase the tax levy. In order to get away from that, Ehlers recommended we borrow for capital equipment. To make up the difference, the City is using special assessment income and transferring it to capital equipment.

Mayor Bierce asked if the City is setting themselves up to pay for capital out of a fund that the City will not be able to keep paying out of. Ms. Sazama stated that was true for the levy limit, because we can't increase more than growth. Mr. Kara asked how the City accumulated the fund balance. Ms. Sazama stated Ehlers recommended special assessments go towards capital or roads. Mayor Bierce felt the money was for one-offs such as a salt shed, fixing stairs, etc. Mr. Klein said the City can't increase more than growth. Mr. Klein stated the City is projecting much lower revenues next year. Further discussion took place regarding the debt service account and estimated fund balances. Mayor Bierce stated he was concerned about the fund running out in five years. Ms. Sazama mentioned the fund cannot run out because the City can always levy for what you owe in debt, and special assessment income is collected every year.

Ms. Brown asked why pushing off a fire truck and ambulance brought down capital expenses. Discussion took place regarding capital expenses.

Ms. Brown asked if the budget puts in \$80,000.00 for the spider bucket truck and Ms. Sazama confirmed that it was. Mr. Bergman mentioned the City had been renting one for so many years that it was a better idea to purchase one.

Mr. Klein stated Ehlers would be able to give a better long-term picture regarding what needs to be done. Mr. Klein stated the City's expenses have been growing by three percent or more a year. Discussion took place regarding the year-end forecast for the fund balance.

Mayor Bierce asked why money was being transferred to the Bike & Pedestrian projects. Mr. Grosch stated the money has been designated for the last couple of years. Since it was not used, it went back to the general fund. Mr. Klein stated there are two main projects ready to move forward which are the Northview Road sidewalk and Fieldhack connection. Mr. Klein stated the City needs to spend the money from impact fees for these projects. Ms. Wagner said \$150,000.00 is for construction of the Northview Road sidewalk and \$150,000.00 is for the Fieldhack modeling, wetland delineation and design and not construction.

Mr. Bergman stated there is a placeholder for wages. Mayor Bierce thought the Common Council was not going to look at individual wages and benefits. Mr. Klein stated there was a 3.5 percent placeholder for every person to get a budgeted amount and Common Council still needs to approve that. Mr. Bergman questioned a significant increase in the Assessor's office budget for staffing up due to the revaluation and asked if it would be permanent or temporary. Mr. Klein stated two staff were permanent and the others were temporary.

Mr. Kara stated the Lake Patrol Advisory Committee met last Thursday and the Committee recommended approving the proposed budget. He said the City of Pewaukee and Town of Delafield each support 43 percent and 14 percent is the Village. Mr. Kara stated the Lake Patrol is an agency of the DNR and they fund the entire budget for the Lake Patrol. When the grant comes in at the end of the year, the City gets the money back in revenue. It also includes the rail-boat reimbursement over a five-year period. Mr. Kara stated there is \$61,000.00 in capital funds for replacement and it costs \$53,000.00. Although it is fronting the money, it is basically budget neutral.

Ms. Brown asked about the wage compensation studies in the budget for next year and requested a recap. She felt the prices were high and it should not be that expensive. Ms. Brown asked what is being done differently to account for that much money. Ms. Woldanski commented it has been 10 years since it was done last and the City has added positions, changed positions and re-graded people. Ms. Woldanski stated part of the Strategic Plan is to make sure employees are being compensated fairly. Mr. Klein stated the City struggles every time someone is hired and he didn't feel like we have updated information or where the City stands as far as the market.

Mr. Kara questioned the engineering expense of adding a Civil Engineer and how the cost went down. Ms. Wagner stated wages went down due to reallocation to storm water utility and the position is for the one that was not hired this year.

Ms. Brown stated storm water management has a negative balance in the fund. Mr. Klein commented that we would only have a negative balance if the City did all of the projects. If the projects were all done the City would need to borrow. Ms. Brown said she wanted Common Council to be aware so if the City would need to borrow it would not be a surprise. Discussion took place regarding the different projects.

Mr. Kara stated the library budget was approved by the Joint Library Board. He stated Director Nan Champe did an outstanding job keeping expenses down and there was a modest increase of only \$860.00.

Mr. Kara asked Ms. Wagner what road projects were projected for the future because he wants to avoid another issue similar to the Oak Street and Peninsula Drive project. Ms. Wagner reviewed the five-year budget plan. Mayor Bierce asked how many of the 2021 projects are just engineering pre-work and how many will be happening. Discussion took place regarding the different projects. Ms. Wagner stated Roundy's Drive, Joseph Road, Spice Creek and the Busse Road Bridge will have construction in 2021.

Mr. Kara asked if the Council will be reviewing the utilities budget. Mr. Klein stated that will be reviewed separately and he anticipated discussion at the seconded meeting in November.

3. Closed Session – You are hereby notified that the Common Council and staff of the City of Pewaukee will convene into closed session after all regular scheduled business has been concluded and upon motion duly made and seconded and acted upon by roll-call vote as required under §19.85(1)(a), Stats. The purpose of the closed session is for the following:

- §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 specifically related to the 2021 Wages and Benefits.

You are further notified that at the conclusion of the Closed Session, the Common Council may convene into open session pursuant to 19.85(2), Stats., for possible additional discussion and action concerning any matters discussed in closed session and for adjournment.

A motion was made and seconded (J. Wamser, J. Kara) to go into closed session at 7:23 p.m.

Motion Passed: 6-For, 0-Against – via roll call vote.

4. Adjournment

A motion was made and seconded (J. Wamser, J. Kara) to adjourn the meeting from closed session at 8:05 p.m. Motion Passed: 6-For, 0-Against.

Respectfully Submitted,

Kelly Tarczewski
Clerk/Treasurer