



11333 N. Cedarburg Road  
Mequon, WI 53092  
Phone: 262-236-2941  
Fax: 262-242-9655

[www.ci.mequon.wi.us](http://www.ci.mequon.wi.us)

Office of Administration  
Taped and Televised

## **APPROPRIATIONS COMMITTEE**

**Tuesday, October 5, 2021**

**6:00 PM**

**Christine Nuernberg Hall**

### **Minutes**

- 1) Call to Order
- 2) Pledge of Allegiance
- 3) Roll Call

**Present:**

Alderman Brian Parrish  
Mayor John Wirth  
Alderman Robert Strzelczyk  
Alderman Glenn Bushee  
Alderman Dale Mayr  
Alderman Jeffrey Hansher  
Alderman Mark Gierl  
Alderman Kathleen Schneider  
Alderman Andrew Nerbun

Also Present: City Administrator Jones, Assistant City Administrator Schoenemann, Finance Director Engroff, Assistant to the Finance Director Keyser, Finance Consultant Watson, Fire Chief Bialk, Deputy Fire Chief Zellmann, City Clerk Fochs, Police Chief Pryor, Public Works Director Lundeen, Library Director Muchin-Young, and other interested parties.

- 4) Budget Overview, Revenues and Capital Projects

City Administrator Jones provided an overview of the budget process, noting that a proposed FY2022 budget was distributed on September 24 and an addendum memo was sent out to the committee members on September 30 with additional information for consideration. The additional information included a \$40,000 supplemental revenue shortfall from State Highway Aid and staff's recommendations to address it. Mr. Jones reflected how the City has had an interesting year with two assessments taking place (Community Development & IT), 3 Finance Directors participating in the budget (acting, retired, and new), and other special circumstances (Revaluation, ARPA Funding & Strategic Planning). Mr. Jones then provided a summary of the revenues generated by the City. He pointed out how the state levy limit restricts increase to net new construction. For 2022, net new construction was 1.59%, nearly \$250K. The general levy

was up by \$110K and capitol projects were over \$138K. Due to recovery, some revenue sources have been growing such as permits, inspections, development fees, and parks. Other revenue sources have been trending downward such as public safety fees, transportation aid, and interest income. One-time, non-recurring revenues equal \$250K. The City's General Fund Revenues will increase \$333,565 (1.9%) from \$17,511,346 in 2021 to \$17,844,911 in 2022. Next, Mr. Jones gave an overview of the City's expenditures. The 2022 Budget will restore nearly all spending that was reduced in 2021, plus an additional \$64K for the 2022 Statewide Elections. The budget will fund two new full-time positions (IT Manager and HR Coordinator), eliminate one position from the Mequon Police Department due to consolidation, privatize janitorial services across main city facilities, reduce City health costs (although increasing employee premiums), and provide compensation adjustments for eligible non-represented staff. Like Revenues, General Fund Expenditures will increase by \$333,565 (1.9%) from 2021 to 2022.

Mr. Jones stated there will be an increase to the money allocated to the major categories in the capital projects fund which are funded on a year-over-year basis including: road maintenance, building repairs across all of the city's various facilities, the replacement of vehicles, contracted removal of ash trees, roadway lighting replacement, parks and cemetery, police and fire vehicle and equipment replacement. It will increase from \$1,190,000 in 2021 to \$1,328,000 in 2022.

Mr. Jones stated that the mill rate is presently at \$3.42/\$1,000. With revaluation, the tax rate is expected to drop to \$3.13. The levy will still rise by \$250K with a net impact of no increase in taxes. The sewer rate is expected to be flat from \$1.81 to \$1.65. To put this in perspective, \$.01 = \$50,000 in additional revenue. A \$.01/\$1,000 increase = \$4/year on a \$400K home.

Next, Mr. Jones provided the City's Funding Requests, totaling \$83,090, which would be an increase of 1.6 cents to the Tax Rate. Following that, a technology framework for 2022 & 2023 was shared, totaling \$200,000 or 4.0 tax rate increase.

In closing the FY2022 budget overview, City Administrator Jones asked the Common Council to take into consideration the 3 Full-Time Paramedics that the Fire Department can hire with existing funds, that funding the earlier provided framework will give resources to both IT and the Land Management System, and the one-time wage study request might be eligible for ARPA funds. Looking ahead, the Strategic Planning Process is set to kick-off in late 2021 where city facilities, ARPA proceeds, and Library funding are suggested topics. The Sewer/Water Budget Meeting will happen in late October/early November and the Debt Issue for Roads, Highland Interchange will happen in early 2022. Mr. Jones stated that Staff have prepared a fiscally responsible budget that restores most expenditures eliminated in 2021. It sustains structural balance without using reserves for ongoing operations (Revenues = Expenditures). The estimated tax rate of \$3.13 is commensurate with 2021.

Mayor Wirth asked the Common Council if they had any questions before discussing particular topics. Alderman Mayr inquired about the investment income being lower than last year. Finance Consultant Watson stated that the City's liquid funds are pretty constant and Staff were conservative in their estimates despite suggestions that interest rates might go back up.

- 5) Fire Department to add 3 paramedics

Alderman Parrish brought up the first topic of discussion, being the Fire Department adding 3 full-time paramedics with already existing funds for paid-on-call staff. He inquired if it is revenue neutral this year, will it remain so in the future? Mayor Wirth pointed out that it was simply a reallocation of paid-on-call funds to paid employees. The only thing that might go up in the future is healthcare for employees. The question came up again as to where the increase in fire dispatch calls were coming from in the city. Deputy Fire Chief Zellmann presented a report using data from the past 1 1/2 years in which the volume of calls were plotted as to where they were coming from. He stated that as the age of residents trend up, requests for service also goes up. It was brought up that while an aging population may use the fire department more, they aren't using other City services. Alderman Nerbun commended the Fire Chief for finding a workable solution within the Fire Budget. Even though volunteerism is down, the City still needs to maintain safety. Mayor Wirth called for a show of hands as to who was in support of adding 3 full-time paramedics. 9-0 were in favor.

#### 6) IT Framework Request

The next budget topic that was brought up was the proposed IT framework. Assistant City Administrator Schoenemann stated how IT security was essential, so Staff will start with a core backbone as suggested by the IT assessment and then move forward with enhancing customer service and storage on a cloud based system. Alderwoman Schneider inquired if we needed to hire a person just to purchase a land management system. Assistant City Administrator Schoenemann responded that the City needed someone to negotiate and know what needed to be bought. Plus a day-to-day person to manage back-up, recovery, security, and other projects. Alderman Bushee asked if the City could sell some of their existing equipment as replacements are bought. The answer was no, as some computers are still on Windows 2008. Alderman Strzelczyk said we need to do something and have someone that just focuses on Mequon's IT, but he doesn't want to raise taxes. He thought this should be a line item in the budget and not an add-on. Alderman Mayr made a motion to use \$113,500 out of fund balance to fund IT equipment (\$63,500) and LMS Evaluation/Selection (\$50,000). Mayor Wirth seconded the motion and then called for a roll call vote. It passed 5-4. Alderman Strzelczyk made a motion for the rest of the IT proposal to come out of the fund balance and Alderman Bushee seconded it. A roll call vote was taken and the motion failed 4-5.

#### 7) Flock System for Police Department

Alderman Nerbun made a motion to use \$16,500 from the fund balance to pay for the Flock Safety Camera System for the Police Department. Mayor Wirth seconded the motion. Alderman Nerbun said it would provide a cost savings in how the City patrols. A roll call vote was taken and it passed 8-1.

#### 8) Library Funding

Alderman Hansher requested that Library Director Muchin-Young speak regarding the Library's request for funds. Library Director Muchin-Young stated how she didn't realize that the Library used to provide the Council with much more detailed information each year. She shared how the Library's maintenance contracts have increased and they have 3 building projects coming up for phones, boilers, and HVAC. Also, they are not offering competitive wages and they have lost 2

employees this year. She shared 5 years of budget history which has been between \$1,203,000 and \$1,209,000 every year. Mayor Wirth inquired if a building assessment has been done and Director Muchin-Young said no. She continued with her presentation and pointed out how numbers are pretty steady and how they are constantly looking for savings. Media and E-content revenue numbers have been on the rise, they were able to decrease their internet fees from \$12,000/yr to \$1,000/yr, and they are working with less staff. Director Muchin-Young then shared their grant history from the Junior Woman's Club, Mequon Community Foundation, and the Weyenberg Public Library Foundation. Funds that they receive from the Weyenberg Public Library Foundation cannot be used towards operational costs. Alderman Parrish asked if the Library had a reserve account and the answer was yes. Alderman Bushee asked if they could combine janitorial services with the City to reduce costs and that will be looked into. A discussion then took place how the Library would be eligible for ARPA funds. Alderman Hansher asked Library Director Muchin-Young how much additional funds were needed to get by this coming year until a plan for the following year can be developed. If they got by with the existing HVAC and boiler and only focused on staffing and the phones, the answer was \$40,000. Alderman Hansher stated how people of all ages rely on the library. Mayor Wirth pointed out that every department asks for money every year and there should be a process put into place for the Library's capital planning. Alderman Parrish thanked the Library Board for showing up to the meeting and stated how parks and libraries were the most used over the past year. He suggested deferred maintenance and a minimal token increase in funds. Mayor Wirth made a motion for the Library to provide backup information to justify being given \$37,000 in ARPA funds and to direct staff to come up with a plan moving forward and to also look into sharing joint services with the City. The motion was seconded by Alderman Nerbun. A roll call vote was taken and the motion passed 8-1.

#### 9) Parks & Open Space Board Request

Alderman Parrish requested Director of Public Works Lundeen to speak regarding the fund request from the Parks & Open Space Board. Director Lundeen stated how there is a blurred line between Parks & Facilities, how it is looked at as a want rather than a need. They are half way through Ash tree removal with 4 more years to go. The second wave of removal will be slower because the trees are not as easily accessible. No motions were brought forward for a vote.

#### 10) Food & Beverage for Poll Workers

Mayor Wirth made a motion to pay for the \$3,200 for food and beverage for poll workers out of the fund balance. Alderman Hansher seconded the motion. A roll call vote was taken and it passed 9-0.

#### 11) Mequon Road Median New & Replacement Plantings

Mayor Wirth made a motion to pay the \$6,000 for median plantings out of the fund balance. Alderman Strzelczyk seconded the motion. A roll call vote was taken and the motion passed 9-0.

#### 12) Wage Study

The Mayor asked City Administrator Jones if there was anything else that should be taken into consideration before adjourning. Mr. Jones brought up that there was continuing pressure on

wages and that the City has not done a compensation study since 2014. People are our most important resource and a study is estimated at \$28,000. It was suggested that maybe the City can conduct a lighter version of the previous study than that which was completed in 2014. The Council decided to get a bid and approve later.

### 13) Ordinance Recommendation

Alderman Nerbun made a motion to move the budget forward for approval with the recommendations made. Alderwoman Schneider seconded the motion. A roll call vote was taken and it was passed 9-0.

#### 1. FY2022 Budget

### 14) Adjourn

Alderman Nerbun moved to adjourn at 8:40 P.M. Alderman Gierl seconded.

Respectfully Submitted,

*Carrie Enea*