



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

www.ci.mequon.wi.us

Office of Administration
Taped and Televised

APPROPRIATIONS COMMITTEE

Thursday, October 6, 2022

6:30 PM

Christine Nuernberg Hall

Minutes

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

Citizens wishing to address the Committee on any matter **not** on the agenda may do so at this time. If you desire to be heard on agenda items, you may be heard when that item is considered on the agenda. Please speak into the microphone at the podium. The time limitation is **FIVE** minutes. **To speak or to have your opinion recorded, please complete a registration slip found at the back of the room.**

Present:

Mayor Andrew Nerbun
Alderman Glenn Bushee
Alderman Jeffrey Hansher
Alderman Mark Gierl
Alderman Dale Mayr
Alderman Brian Parrish
Alderman Kathleen Schneider
Alderman Robert Strzelczyk -- **Absent**
Vacant Seat -- **Absent**

Also Present: City Administrator Jones, Assistant City Administrator Schoenemann, Finance Director Engroff, Assistant to the Finance Director Keyser, Director of Community Development Tollefson, Director of Public Works Lundeen, Fire Chief Bialk, Police Chief Pryor, City Clerk Fochs, Executive Assistant Enea, 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 that City staff have been working on for the past 90 days. In February, the City developed a Strategic Plan that was then approved in July. The Strategic Plan developed the building blocks, Public Safety, Financial Stewardship, Capital Improvements, Customer Service, and Quality of Life, that the proposed spending plan for 2023 is focused on. Overall, the budget is down by nearly \$1.1 Million. The key drivers are the formation of the Southern Ozaukee Fire Department, the emergency dispatch transfer to Ozaukee County, and the rising costs due to higher inflation, most notably personnel costs. A total of \$1.8 Million has been added to the Capital Plan via ARPA funds. The City is still waiting on results from the Compensation Study and insurance rebid. However, with the Police and Fire Mergers, the tax rate is declining. City staff is proud of their financial stewardship to hold the tax rate at a commiserate level year after year.

Mr. Jones then provided a summary of revenues generated by the City. Net new construction is up 2.2% or \$360,000. The excess levy is above the allowable limit of almost \$700,000, something that will need to be considered as the City moves forward with future plans and projects. No fee adjustments are recommended for 2023. \$200K in ARPA funds have been applied to the 2023 Budget. Fire & EMS fees are down by 80% due to the transition to SOFD. The proposed levy for 911 is currently under review by the DOR. Next, Mr. Jones gave an overview of the City's expenditures. The Public Safety consolidation resulted in reductions across all spending categories. There was a slight increase for the Library in the amount of \$4,000 and tax support for SOFD is now classified as a grant. There is no new spending in the 2023 budget beyond personnel costs. Many inflationary increases were not included in the budget due to the earlier direction given by the Council not to affect the tax level. Thereby, expense reductions had to be taken in several areas to balance the budget, many relating to overtime and seasonal help, totaling \$116,182.

Transmittal Letter

Budget Comparison

General Fund Revenue

Debt Service Fund

Capital Projects Fund

5) General Government

- a. Common Council
- b. City Administrator
- c. City Clerk
- d. Elections
- e. Information Technology

- f. Finance
- g. City Assessor
- h. Human Resources
- i. Legal Services

6) Community Development

- j. Planning Division
- k. Inspections Division

7) Public Safety

Fire Chief Bialk then presented the Southern Ozaukee Fire Department (SOFD) Budget. The Village of Thiensville has already approved the SOFD 2023 Budget, as well as the SOFD Board that includes Mayor Nerbun, Alderman Parrish, and Alderwoman Schneider. The ambulance, sprinkler, and commercial inspection fees total \$1.24M of the \$3.5M budget. In 2023, two Thiensville employees will be added, as well as funds to add four additional full-time firefighter/paramedics and another mid-year. SOFD will be receiving \$300K in Ozaukee County ARPA funds, \$140K from the City as a Capital Contribution, and will have 5% as a reserve balance for year one. A 5 year projection plan has been created for planning purposes.

After Chief Bialk answered a few questions from Alderman Maier and Alderman Parrish, City Administrator Jones resumed the presentation to cover the emergency dispatch move to the county which will start on January 1. The Communications Budget is decreasing by \$302K with the reduction of 8.5 full-time employees (FTE) to 3.5. Ozaukee County is seeking 4.5 FTE for Mequon calls. The City's proposed levy is under review by the Department of Revenue (DOR). Pending the determination, a slight adjustment may be needed. The Common Council will be notified as soon as more information is available.

- l. Police Department
- m. Southern Ozaukee Fire & EMS Department
- n. EXHIBIT A
- o. Communications

8) Public Works

- p. Building Maintenance
- q. Fleet Maintenance
- r. Engineering

- s. Highway
- t. Forestry
- u. Swimming Pool
- v. Parks

9) Weyenberg Library

- 1. Weyenberg Library
- 2. 2023 Library Budget

10) Consideration of Compulsory & Supplemental Funding Requests

Mr. Jones presented the compulsory and supplemental funding requests next. Capital Funding is remaining level from 2022. The only difference is that the \$10,000 for roadway lighting was moved to IT/Computer replacement. Roadway lighting will now come out of the Right-of-Way Fund. As the Road Program progresses, the City can address other needs. A total of \$2.55M was received in ARPA funds in 2021 and 2022. There is are no spending restrictions for amounts under \$10M. To date, nearly \$600K has been committed to the 5 areas identified in the Strategic Plan. \$200K was included in the 2022 Budget to restore cuts made during the pandemic. Lesser amounts have been recommended for 2023 & 2024. For Supplemental Capital Projects, there was one add-in of Festivals Electric for \$20,000. All monies will stay in the account, until each project is completed. The money needs to be programmed by the end of 2024 and spent by the end of 2026.

- 1. EXHIBIT B
- 2. EXHIBIT C
- 3. EXHIBIT D

11) Consideration of a Recommendation Concerning the Proposed FY2023 Budget

Administrator Jones then presented some recommended funding for other areas including Fire, Governance, Library, Utilities, and Wages. Mr. Jones then provided a comparison of Mequon's Mill Rate (currently 3.08) to other comparable cities in the area, with only Pewaukee being lower. With the Public Safety consolidations, the mill rate would drop to \$3.02. However, the tax levy will be rising by \$38,266. The Sewer Levy is expected to remain stable.

Moving forward, Mr. Jones recommended commencing the budget process in the 1st quarter with a series of budget-related policy discussions to take place after the District 8 vacancy is filled. Mr. Jones also mentioned updating the Joint Library Funding Agreement, completing a comprehensive fee schedule update, participating in local government funding reform efforts with the League of Wisconsin Municipalities, and finalizing the debt-planning for future facility projects. He concluded by saying how the staff prepared a fiscally responsible budget that

accounts for wage, insurance, and retirement increases, limits reductions in recurring expenses, and preserves the commensurate tax rate with 2022. The Committee may wish to consider the recommended adjustments, other compulsory increases or spending restoration, and the supplemental requests.

12) Ordinance Recommendation

After a short discussion regarding the Library, parks, ARPA Funds, housing/interest rates, and the budget process moving forward, Alderman Maier moved to pass the recommended funding of 4.52 cents and Alderman Hansher seconded. A roll call vote was taken and the motion passed 7-2. Alderman Parrish moved to pass the other considerations totaling 1.48 cents and Alderwoman Schneider seconded. A roll call vote was taken and the motion passed 7-2.

13) Adjourn

Alderman Gierl moved to adjourn at 8:17 P.M. and Alderman Parrish seconded.

Respectfully Submitted,

Carrie Enea