

BUDGET PARAMETER COMMITTEE MEETING JUNE 28, 2022- MINUTES

6/28/2022

MEMBERS PRESENT: CP Janssen, Neumann, F&P Chair Happel, Schwarz, Sleznikow, Richmond.
 Excused Keil
 Excused Director Nowicki
 Deputy Director DeGier
 Mayor Reynolds

MOTION	DISCUSSION	MOTION 2ND	ACTION	
1 CALLED TO ORDER BY	Mayor Reynolds @ 2:00			
2 ELECTION OF CHAIRPERSON -	Mayor Reynolds	Happel	Schwarz	UNANIMOUS
3 ELECTION OF VICE CHAIRPERSON - CM	CP Janssen	Happel	Schwarz	UNANIMOUS
4	Motion to approve minutes of 6/29/21 meeting	Janssen	Happel	APPROVED
5				
6	2023 OPERATING BUDGET DISCUSSION			
7				
8	Presentation by Deputy Finance Director DeGier			
9	Overview of Preliminary 2023 Estimates			
10	Happel Do we have an indication of what 2023 actual new construction might be? Could 2022 actual new construction be less?			
11	DeGier There is no indication but the annual average increase has been around \$500,000 with minor fluctuations.			
12	Sleznikow When will we have actuals on the "TBD" on the estimate? WRS rates are normally determined by the ETF board in late June early July, I would defer to HR on the pay/class study timeline and the ARPA usage will be determined throughout the operating budget process.			
13	DeGier			
14	Neumann Line 27 TBD, what are the limits? (using ARPA/Fund Balance)			
15	DeGier The limits on fund balance is meeting our fund balance policy of 20% and no real limits on using ARPA funds outside of available funds, proper usage of funds and creating a dependency on one time revenues.			
16	Happel ARPA fund has limitations on what it can be used for?			
17	DeGier Yes, the Treasury department has identified specific uses that don't qualify such as setting up a rainy day fund, paying down debt service, use in pension funds. The guidance was that the lost revenue funds could be used on provision of government services excluding the specific prohibited uses.			
18	Mayor We made decision last year to forgo expenditure restraint program to reset baseline.			
19	Happel What was used for one time funding last year?			
20	DeGier \$1.3 Million in land sale, 5 positions funded by ARPA, \$1.6M in fund balance budgeted.			
21	Happel Do we know if there are more one time revenues coming up?			
22	DeGier In the past years we have had one time revenues such as land sales, there are no other anticipated one time revenues that we are aware of at this point outside of using fund balance or ARPA funds.			
23	Mayor What can you tell us about using one time funds for reoccurring expenses?			
24	DeGier This creates a problem in the future by depending on one time revenues and continuing to grow the deficit between reoccurring expenses and revenues that will be hard to overcome when the one time revenues end.			
25	Neumann Why are revenues not growing at pace of expenses?			
26	DeGier Due to the state of municipal financing, we are constricted by levy limits on how much we can increase the levy as well as the holding steady of non levy revenues, while inflation and salary increases grow at a faster pace.			
27	Neumann Can we find another source of revenue?			
28	Neumann 3% COLA how does this compare? Are we doing enough?			
29	DeGier 3% is either on par with other municipalities around the state country or a little lower.			
30	Janssen Is electric and natural gas up in price or has use gone up?			
31	DeGier That I do not know off the top of my head but most likely a combination of both.			
32	Mayor Review schedule of meeting times and dates.			
33	Happel Motion to approve schedule of meetings as presented.	Happel	Janssen	APPROVED
34	Happel BPC directs Mayor and staff to develop budget options for 2023. Multiple options can be developed. One option must include no tax rate increase.	Happel	Janssen	APPROVED
35	Mayor Meeting Adjourned at 2:27 p.m.			