

City of Monroe
Finance and Taxation Committee Minutes
July 18, 2016

A. CALL TO ORDER & ROLL CALL

Chairperson Stangel called the meeting to order. Present at roll call were Alderpersons Stangel, Bauman, Koch. Also present were alder Marsh, City Administrator Rath, Police Chief Kelley, Mayor Armstrong, other city employees and Bridget Cooke from The Monroe Times.

B. CORRECTION OF MINUTES

None

C. BUSINESS: OPEN

1. 2017 ANNUAL BUDGET OBJECTIVES

City Administrator Rath said he wanted to find out what the objectives of the group were. This works in conjunction with the debt service part of the next item. Before he sends off budget instructions to the department heads he wanted to talk to the council and verify and clarify. At the last meeting it was decided to do a 2 year budget. Is that still the same? Alder Bauman verified that yes they are looking at a 2 year budget. City Administrator Rath said the amount to be levied can be a dollar amount, a percentage or not have a particular objective and see where everything lies. Does the committee want the amount to increase, decrease or keep the same? What is it the group wants to achieve? Alder Stangel spoke. Questions and discussion took place. Alder Koch said he does not support the amount at staying zero. The only way for that to happen is to start removing essential services and he does not want to see that. City Administrator Rath gave more explanation with options for new debt service options.

The decision was made to skip to item C 2 and come back to item C 1.

2. FIVE YEAR CAPITAL IMPROVEMENT PLAN – 2016 - 2020

City Administrator Rath said capital needs to be increased by a lot at some point so that we are not looking to borrow year over year. He would like to see a minimum levy increase to \$350,000.00 for 2017. Discussion took place and City Administrator Rath gave more explanation. More questions and discussion took place. The general consensus was for the levy amounts to be \$350,000.00 for 2017 and \$500,000.00 for 2018 (The 2018 amount is just a place holder and can be less aggressive or more aggressive depending on the situation at that time).

Mayor Armstrong asked if the items from the comprehensive plan would be addressed in these amounts now. City Administrator Rath said the department heads are tying budget requests back to the comprehensive plan, especially if it is a new item. He explained what the city is doing to work on the comprehensive plan and where on the

web site people in the city will be able to go and find out where and how to get involved with the comprehensive plan.

City Administrator Rath then talked about the financial impact of taking on debt services. He had Ehlers do a mock up based on what was discussed at the last meeting. He also met with some department heads to talk about what things could be removed or postponed from the list. He explained the two different options that were presented and the budgetary impact each would have. More discussion took place. Questions were asked and City Administrator Rath answered them.

The option one list is the list of necessities. The option two list includes all of the option one items and shows projects that could possibly be delayed. Alder Stangel asked City Administrator Rath what he encouraged the group to look at. City Administrator Rath said he would encourage them to look at the items on the option one list and any they felt were necessary on the option two list. He said they could hold off on the land acquisition and improvement project right now as there is nothing in the works. Discussion took place. City Administrator Rath said the airport projects were listed on option two and those could be held off as well. Those projects are not set for 2017.

Alder Stangel asked if this needed to go to council on Tuesday night. City Administrator Rath said yes. He explained that the committee is setting the threshold for the borrowing amount and items they want included. Then it will go for financing and come back to them once it goes to market and the bonds are sold. The Council will have to authorize a resolution approving those bonds. More discussion took place.

Questions about some of the line items were asked. City Administrator Rath and City Directors answered them. More discussion took place.

Discussion took place about the line item for land purchase. It was noted that there was no specific piece of land but bonding for it would allow money to be available if something became available in the next year and a half that they wanted to buy. This would be in line with what the council has talked about at past meetings as well as what the comprehensive plan calls for.

City Administrator Rath asked what the committee felt about the airport line items. He said there were things that could be held out as no design was out for them yet. Questions were asked and City Administrator Rath answered them.

More discussion took place on various line items.

Alder Koch made the motion to approve option 2 minus land purchase, land improvement and the three items under the airport. Motion seconded by Alder Bauman. Motion carried on voice vote.

The Committee then went back to item C 1

The general consensus is to maintain current service levels and anything tied to the comprehensive plan. Anything new can be reviewed. This gives City Administrator Rath the direction he is looking for and a motion is not needed.

D. BUSINESS BY MEMBERS

None

E. ADJOURNMENT

A motion to adjourn was made by Alderperson Bauman. The motion was seconded by Alderperson Koch. The motion carried on voice vote.

Nicole M. Cummings, Deputy Clerk