

**WATERVILLE CITY COUNCIL
REGULAR MEETING**

September 13, 2022, 4:00 p.m.

There was a special meeting of the Waterville City Council held in the Council Chambers at 4:00 p.m. on September 13, 2022.

Present: Dave Wollin, Jennifer Grobe, Tim Smith, Roy McIntyre and Mayor Alan Schmidtke

Absent: None

Also Present: Administrator/Clerk Hill

Call to Order/Roll Call/Pledge of Allegiance

Mayor Schmidtke Called the meeting to order at 4:00 p.m. noting that all Council members were present and Teresa Hill, City Administrator. The Pledge of Allegiance was recited.

Approval of Agenda/Additional Items to Agenda

A request was submitted to remove item #D Split of Property request and replace it with Special Education Fishing poles donation. **Motion by Smith, Seconded by McIntyre to approve the agenda as altered. Motion Carried 5-0.**

New Business

Budget Work Session. Administrator Hill provided and updated 2023 proposed Budget with previous recommendations and a 5% (\$48,437.00) levy increase included. The modified proposed budget would have a projected negative impact of \$97,960.50 of which \$45,262.00 is due to budgeted expenses over budgeted revenues, \$30,000 due to the timing of expending the donation received in 2022 and \$22,698 due to shift from undesignated fund balance to Cash flow reserve. Discussion was held on the Levy supported expenses, revenues and debt service. A 1% levy increase would generate \$9,741.46 in additional revenue. The library fund will have a requested levy of \$9,740.00. The additional Levy will cover negative cash flow in the Library Fund. Councilmember Smith inquired if we change our cleaning contract here if it would also affect the library? Administrator Hill advised that it would affect all departments. The Capital Improvement fund includes debt service and capital improvements. Total anticipated expenses are \$613,286.00 and revenues of \$613,285.00. The Revenues did include a debt service levy, a levy for capital improvements, and an anticipated transfer from the General Fund in the amount of \$41,110.00. The General Fund had budgeted expenses of \$1,688,198.00 and revenues of \$1,642,936 resulting in a budgeted decrease in fund balance of \$45,262.00. This does not affect the fund balance in the same manner. There is a shift to cash flow reserve from undesignated due to policy. Discussion was held on workers compensation liability and the possible impact to the budget. Property tax values and tax impact estimates will be available for the meeting in December. Mayor Schmidtke stated that he talked with an insurance person and they informed him that housing insurance will be going up also due to increase in values. Councilmember Smith questioned if the subscription for the police was deleted. Administrator Hill explained that the initial cost was left in and 6 months of the subscription. Councilmember Smith did look into the subscription more and it covers training, policies, and make sure that we are not setting ourselves up for something along the lines. This will also work for the Fire Department with a possible additional subscription. It might be something we might want to look into for them also in the future. Discussion was held on policing Hwy 13 and 60 for additional revenue along with funding of a new squad car. Discussion was held on house cleaning and if we would continue to contract out or hire a part-time person. Mayor Schmidtke questioned if the water and sewer rates were going to go up this year? Administrator Hill did say that an increase would need to be done due to cost of products and recommendations from the Auditors and policy. Discussion was held on looking into a lease option for the loader, cost saving for combining the 2023 Mack Dump

Truck, loader and snow blower into 1 issuance instead of 2. The estimated principal and interest payments of the loader and snow blower would be about the same cost as the estimated repairs needed in 2023. Discussion was also held on Interest rates, bonding cost, and local bank notes. Financing and ordering of the equipment will be discussed at the next meeting. Discussion was held on the use of reserves or if expenses could be cut to obtain a balanced budget. Budget cuts can be made at any time. Councilmember Smith inquired what the percentage would need to be to balance. It was estimated that the levy would raise to about 10%. Discussion was held on a higher levy with the ability to lower it in December. Discussion was held on the impact to the tax payer with other entities and insurance. Mayor Schmidtke suggested 3% and take the rest out of reserves. Discussion was held on the request and determined that cuts would need to be made. Councilmember Wollin suggested that each department cut an equal percentage out of their budget. Discussion was held on the cost of having our own Police department, coverage hours and contracting with the County. Council Member McIntyre stated that we have a good police department and we cover our school and city well. Council member Wollin commented that Crime is not going away and he likes what we do have. Council member Wollin suggested keeping the levy at 5% and take the rest out of reserves because it may change. Motion by Smith, seconded by McIntyre to set the proposed levy at 5%. Administrator Hill pointed out that there are 2 resolutions to be acted on following the work session. Councilmember Smith rescinded the motion.

Resolution 2022R-033 Adopting 2023 Proposed Budget. Motion by McIntyre, Seconded by Wollin to approve Resolution 2022R-033 2023 Proposed Budget. Motion Carried 5-0.

Resolution 2022R-034 Adopting 2023 Proposed Levy. Motion by Smith, Seconded by McIntyre to adopt Resolution 2022R-034 as written for the 5% Levy. Motion Carried 5-0.

Donation of Fishing poles to Special Education Program. Motion by McIntyre, Seconded by Smith to donate the fishing poles to the School Special Education program. Motion Carried 5-0.

Adjourn

Motion by Smith, Seconded by McIntyre to adjourn. Motion Carried 5-0. Meeting adjourned at 4:45 p.m.

Alan Schmidtke, Mayor

Teresa Hill, Administrator-Clerk