

Waterville City Council
Special Meeting
September 16, 2025 2:00 p.m.

There was a special meeting / work session that the Waterville City Council held in the Council Chambers at 2:00 p.m. on September 16, 2025.

Call to Order / Roll Call/Pledge of Allegiance

Present: Council members: Tim Smith, Scott Potter, Jennifer Grobe, and Mayor Bill Conlin.

Also Present: Administrator Teresa Hill

Absent: Council member: Dave Wollin

Mayor Conlin called the meeting to order at 2:00 p.m., led the Pledge of Allegiance, and announced the members of the Council who were present.

Approval of Agenda/ Additional Items to the Agenda

Mayor Conlin requested to remove Item 3. a., c., and d. **Motion by Potter, Seconded by Grobe** to approve the agenda minus a., c., and d. **Motion Carried 4-0.**

Old Business

Budget Work Session

Administrator Hill relayed to Council that the levy built in for 2025 is \$1,242,949.00. The projected levy that is in the budget is at \$1,620,300.00. Recapping the 101 general and 400 capital funds for 2026: revenue for the general fund \$2,219,620.00, and the 400 fund is \$1,102,642.00. 2026 projected expenses: \$2,311,372.00 and for the 400 fund is \$1,090,651.00. The changes with the current year and projected 2026 budget are a deficit of \$91,752.00 in the general fund, and a surplus in the 400 fund of \$11,991.00. Some reserve funds have been pulled out that are not necessary items. This is the Public Safety funds for LETG. This was confirmed by the County that the up-front cost will not be as high as initially projected; it will be like what it is now. This is the \$76,756.00. There is also a well repair listed at \$5,000.00 that has also been removed. With these changes, there is now a net loss in the 101 fund of \$9,996.00 and a gain in the 400 fund of \$11,991.00. The 2026 levy increase is at 30% in the amount of \$295,595.00. The first Fire Hall payments for 2026 are comparable to the increase in the amount of \$296,188.00. I would like to try to decrease this approximate 30% increase. The Fire Hall is only a portion of what the actual fire hall payment will be, the average amount of \$430,000.00. The next year's payment will increase the levy by approximately \$126,000.00. The city's debt schedule will be reduced after 2027. This was calculated last at approximately 22% for the full payment of the new fire hall. The requested levy goal is to try to bring the 30% down to a 15% increase. Hill asked the Council what the comfort level of the levy was. Other additional items removed were the fire truck Suburban purchase of \$85,000.00 and the Street Department truck at \$40,000.00. This budget may look a little different due to the purchase of the new facility, the transfer between funds, and the sale of those properties. Building the garage at the new City Hall is built into the budget. This cost is still unknown until the building plans are drawn up. There will be three stalls for the Police Department, and one for the Emergency Management. The library renovations will not be looked at till August of 2026 for the 2027 budget. Then we can start the planning process. There is only a small uptick in supplies for the library for the 2026 year. This allows time for the new Fire Hall to be built and the old Hall to be emptied out. The current City Hall building will take time to empty out. Then the three buildings need to be sold. **Council Grobe** asked if there is a separate heating and cooling system for the current Library? **Administrator Hill** replied yes, they have their own heating and cooling system connected to the Senior Center. **Administrator Hill** expressed that dipping into the undesignated reserves is not a good option right now. With shifts in the budget, the City needs to be diligent in having six months of undesignated funds at all times to cover expenses, and we need to post 50% of that on the set budget. **Council Grobe** asked if there should be a spending freeze until the end of the year. **Administrator Hill** replied that we do need to keep a tight budget for the next couple of years until that additional debt falls off. FEMA expense reimbursement monies have not all been received yet this year. This was not listed as a receivable in the Audit for the 2025 year due to the uncertainty of returned funds. These funds will increase the undesignated reserve from \$250,000.00 to \$280,000.00. **Council Grobe** asked if any of those funds could be

used? **Administrator Hill** replied Yes, we can take a look at that and see where the needs are to fill. **Council Grobe** asked if we knew what the Local Government Aid is projected for next year? **Administrator Hill** relayed that this is currently unknown. This is not decided for the current year by the State until the end of July. These funds are normally seen to come in around this time of year when the budget process starts. This is similar to the Police State Aid. **Council Grobe** asked if this funding ever decreases or increases. **Administrator Hill** said that yes, it can. Then it was turned over to the Council for deeper discussion on line items and what percentage of increase they would like to aim for. **Council Smith** asked what the increase was from last year? **Administrator Hill** stated the 2024 levy was set at \$1,124,841.00. This is a 10% increase by 2025. The surrounding areas are currently looking at 8 to 23% increases. **Council Grobe** stated that she was not comfortable with anything over a 15% increase. **Council Smith** stated he was in agreement with Council Grobe, and it would be nice if it could get closer to a 10% increase. **Administrator Hill** relayed that any time you add debt to the levy, there will be an increase. It is good practice that when debt falls off, you typically add more debt to keep the levy steady. In this way, you are not seeing extreme rises and falls in the levy. **Council Grobe** asked if the Street projects come out of a designated fund. **Administrator Hill** replied yes, \$68,000.00 in Street Maintenance Aid, and \$28,000.00 was received from the County. The street projects total \$155,000.00 in 2026. We will include \$59,000.00 in the 400-fund part of the levy. **Council Grobe** stated the Street department had brought down this portion of the budget to a minimum. **Administrator Hill** replied yes, and this can change with the seasonal weather. This also does not include the franchise fees for CenterPoint (general) or Metronet (capital) that are established for the street department. This will be added as revenue. **Council Grobe** asked when it is accepted and approved by Center Point; how long after that do we wait for our first payment? **Administrator Hill** relayed that, as of now, we are not receiving anything from CenterPoint; the City is only receiving from the Cable Franchise at this point. We are enrolled with CenterPoint, and it normally will take about three months after providing it to the company. **Council Potter** asked who is getting paid for the parks and recreation. **Administrator Hill** replied that there is a portion of her salary, and the mowing and maintenance that is done in the parks by the Public Works department. **Mayor Conlin** asked about the allocation of hours of coverage for the Police Department. What about the ambulance service? Are they going to be servicing out of the old or the new location? **Council Smith** relayed that the ambulance service is just using it as a posting site when they are not out on call due to the central location. **Mayor Conlin** asked for clarification on the expense line item for the on-call. **Administrator Hill** replied that this means on-call was figured to be one hour a day per officer staffed. This can be discussed with the Police Chief Petrasek to see if this can be brought down to zero. Court fees are always unknown. The Police Department has been working on different scheduling for the summer and school time hours. The cost share increase was not included for the school resource officer. Council had previously discussed it was worth the \$17,500.00 a year collected from the school and City picking up the rest of the cost. **Council Grobe** asked if an officer is there for the whole day. **Administrator Hill** replied yes, now there are two officers on a weekly rotation. **Council Potter** inquired about the utilities for the Police Department seems as they are relocating to the new City Hall. **Administrator Hill** relayed that she would like to see these at \$0.00 for the year. In 2026 the assuming is assumed that they will be out of the facility. A base fee will continue until the buildings are sold. **Council Grobe** asked if the property insurance would go down to general, and what is the communication? Is this the LETG? **Administrator Hill** replied that the general insurance is for the property insurance, and no, this is for the phone service charges for the new phones will be internet phones or cell phones. This cost savings annually will be approximately \$6,000.00. **Council Grobe** asked if this was going to be Metronet. **Administrator Hill** replied Yes. **Council Grobe** asked what the building and equipment expense was for \$75,000.00. **Administrator Hill** relayed that this is for the general maintenance in this department. **Council Grobe** inquired about the operating supplies and the increase between years. **Administrator Hill** replied that this is a general cost of operating supplies that is less than \$5,000.00. Stating she would be able to get back to her and provide a detailed breakdown of the operating costs. **Council Grobe** stated that the health insurance never goes down. **Administrator Hill** relayed that the current insurance provider was no longer covering small cities. The switch to Blue Cross Blue Shield will be made as of January 1, 2026. There is a change, but it is not too significant. With insurance, you are set on an annual index. **Council Grobe** stated that for single insurance, we cover 100% and 80% for family.

So, this is figured into the contracts? Is there a reason that we keep on doing this? **Administrator Hill** relayed that when you give an employee a benefit, you normally do not take that away. **Council Grobe** asked about the increase in overtime for the Police Department. **Administrator Hill** replied that this could be decreased. \$60,000.00 of overtime this year was contributed to severance. Reasons it could go up would be that the employee is electing a payout per writing of the comp-time. Currently, it is policy for most employees to cash out any overtime after 40 hours accumulated. This can also be used as comp-time off. **Council Grobe** asked about the \$12,000.00 increase in the Relief fund. Is this due to the switch? **Administrator Hill** replied that there was a switch to the State Aid money. There is a difference between what is fundable and what is not. They let the City know if they are short or if funds are okay. There is a payment of \$24,000.00 this year and \$12,000.00 next year. **Council Grobe** asked what the shortfall was going to be. **Administrator Hill** relayed that this could be the benefit amount with the number of years for the employee. PERA invests money per employee, and if there is not enough money made, then the City will pay for the rest. PERA needs to be solvent. **Council Grobe** asked about the increase of \$12,000.00 in the training expense in the Fire Department budget. **Administrator Hill** expressed that this is due to the increase of four new firefighters. There is a revenue built in for this training as well to offset the expense with a reimbursement for training. The 101-42200 rent of building expense line item is the leasing from the EDA, and that will go to the bond payment. Hill relayed that the salaries are allocated between departments, dependent on job tasks. Different allocations have been in place since the last budget. The City is still looking for a replacement for the next year resignation of the Water/Wastewater Supervisor. Applicants need to have a class B license or be able to obtain a class B within a year. This is going to be a time of transition next year. If the City were to hire out for this position new it would be a seven-year training process. There was a discussion on the submission of the preliminary levy and how it can only come down, not increase. Along with the balance of the General Fund with the FEMA funds are still to be received. **Administrator Hill** relayed that she would run numbers from 24-25 to validate the balancing of the General Fund. Anything you would like to see in depth, I can pull that information. A brief discussion was held on the next Budget meeting. **Motion by Smith, Seconded by Potter** to set the next budget work session for Monday, September 29th, at 10:30am at City Hall. **Motion Carried 4-0.**

Adjourn

Motion by Grobe Seconded by to adjourn the meeting. **Motion Carried 4-0. The meeting adjourned at 2:54 p.m.**

William Conlin, Mayor

Teresa Hill, Administrator-Clerk