

Finance and Labor Relations Committee
Regular Meeting
Thursday, November 4, 2021 at 6:00 p.m.

MINUTES

- 1) **Call to order.** Cole called the meeting to order at approximately 6:01 p.m.
- 2) **Roll Call:**

Members	Present/Absent	Others Present
Aldersperson Rick Cole	P	Mayor/Bill Hurlley
Aldersperson Dianne Duggan	P	City Administrator/Finance Director Jason Sergeant
Aldersperson Joy Morrison	P	Treasurer/Julie Roberts
		Bill Lathrop/Evansville Today

- 3) **Motion to approve the agenda.** Duggan made a motion, seconded by Morrison to approve the agenda as presented. **Motion carried 3-0.**
- 4) **Motion to wave the reading of the minutes of the October 7, 2021 regular meeting and approve them as printed.** Morrison made a motion, seconded by Duggan to approve the minutes of the October 7, 2021 regular meeting as printed with the exception of the following Item 11. Cole asked if there were any changes to the minutes and Morrison asked if Item 11-Discussion is had about the finalized budget being due in November should read discussion *continued* about the finalized budget being due in November. Cole, Roberts, Sergeant and Duggan added their interpretation and it was agreed that it should read **discussion continued regarding the finalized budget being due in November.** **Motion carried 3-0.**
- 5) **Citizen appearances.** None.
- 6) **Motion to accept the October 2021 City bills as presented in the amount of \$1,814,565.82.** Cole made a motion, seconded by Duggan to accept the October 2021 City bills as presented in the amount of \$1,814,565.82. Committee had a few questions about some items and Sergeant, Roberts and Hurlley responded to questions. **Motion carried 3-0 on roll call.**
- 7) **New Business: Third quarter Treasurer's report.** Roberts covers a few items that she wanted to note. The first item is the Municipal Court Budget on page 4, under general fund, IT and repair is over budget by \$600 and court expenses are over budget by \$1200. Roberts states that it's not that big of an issue but she's looking at it because as of the date of the report, 75% of the year has gone and they've used 83% of their budget. Their legal services is an issue as well, although there is nothing that can be done other than to monitor it. Sergeant states that the IT budget is over due to the Court Clerk's computer going down and the State upgrading some software that they use. Roberts then moves to page 9 for the Public Works professional services, \$3200 over budget is due to attorney fees. Morrison asks about DPW Miscellaneous Expense at the bottom of the page and

what constitutes Miscellaneous Expense. Roberts will look into and get back to the committee. Roberts then covers the Water Utility Fund 62, taxes is over budget by \$17,600. She states that this was way under-budgeted when compared to previous years and it has been adjusted on the budget for 2022. Roberts moves on to the Electric Utility Fund 63, pg. 6 Billing Supplies and Expenses. This is \$17,300 over budget due to increased billing costs for COVID. As of November 1, we have quit waiving the fees that we were absorbing because of COVID, *i.e. credit card processing fees*. Roberts moves to pg. 8 for the Electric Utility, dept. 930, as there are several items that are over budget and some have been adjusted for 2022, such as an increase to Transportation Fuel, Transportation Maintenance, Professional Development and IT Services and Equipment. Morrison asks if Roberts could give a report card on where we stand and Roberts responds with a B- overall, Sergeant responds with a B+ because some of the things were unavoidable such as training fees for the W&L department.

- 8) **City Administrator/Finance Director Report.** Sergeant announces that Colette Spranger has started as the new Community Development Director and the plan of attack with regards to Colette is to get her off to a competitive start at the beginning of January with having her be fully absorbed with getting the online permitting software wrapped up and finish up the back log of permits that need a final check, in addition to a few significant non-compliant zoning issues that she will be working through. Sergeant then discusses some of his training and some projects that were left over from last year, *i.e.* the generator quotes are coming in higher than what was budgeted last year so trying to re-strategize before the end of the year to see if it's possible but if not then the money will transfer over and we will try again next year. Discussion goes to the Police Dept. Tahoe that was going to go up for auction and the decision is to keep it in house for use by City staff that need to do errands for the City. Sergeant would like to try this option and see how it goes. Brief discussion about the park and pool projects and how the open house went and what feedback and comments we are receiving. MSA will compile all comments they've received in mid-November.
- A. **Motion to recommend to Common Council approval of revised Community Development Director contract.** *Duggan made a motion, seconded by Morrison* to recommend to Common Council approval of revised Community Development Director contract. Sergeant addresses page 3, item E, insurance starts right away. Cole agreed. ***Motion passed 3-0.***
- B. **Discussion and motion to recommend Resolution 2021-22, Adopting 2022 Operating and Capital Budget and Setting Tax levies.** *Cole made a motion, seconded by Morrison* to discuss and recommend Resolution 2021-22 adopting 2022 Operating and Capital Budget and Setting of Tax levies. Roberts and Sergeant discuss the final numbers for manufacturing. The numbers are lower than expected which decreases the assessed value by about \$1.2 million. This change took the Mill Rate from 8.876074 in the packet and increased it to 8.905163. Sergeant discusses possibly nudging the mill rate back down by making some cuts to 2 areas. The areas discussed are Municipal Building Maintenance and Street Maintenance and they've both been underfunded in the past. Sergeant would stand behind keeping the budget amounts where they are but if we need to get the mill rate back down then those

would be the 2 areas that would be recommended for the cuts. Primary discussion is which direction to go with regards to cuts in those areas or reducing the mill rate. Duggan asks if we keep the mill rate at the 8.876074 then that would mean underfunding the Building Maintenance and Street Maintenance and Sergeant states that it would be funded higher than it was last year but it wouldn't be funded as much as he had hoped and it will still be arguably underfunded. Hurtley comments on the costs of improvements increasing as well. Roberts explains that the difference in the mill rates would be about \$6 on a \$200,000 home. With the mill rate at 8.876074 the cost would be \$175.23 and the new mill rate would be \$181.05. Cole expresses concern about exceeding the allowable limit for mill rate and Sergeant says the limit with our calculations would be 9.36 and our mill rate in our budget is comparable to other communities. Hurtley suggests taking \$1000 from each of the mentioned areas and Roberts asks for \$1500 from each instead because the \$1000 from each only takes it to 8.90004 and the \$1500 from each takes it to 8.897425. The cost for a \$200,000 house would then be \$179.50. Duggan asks what it means tangibly to us by taking \$1500 from the Street Maintenance budget. Sergeant states that it would mean the equivalent of a couple loads of hot mix or 6 squares of sidewalk. Cole states that he is more inclined to go with the revised amount of 8.905163 and not making any cuts to Building and Street Maintenance. Sergeant clarifies that the version is where all budgeted items remain the same but the manufacturing assessment value went down. Roberts asks if she can say what she'd like to see in the motion. She would like it mentioned to reflect the change in the assessed value from \$388,945,400 to \$387,674,900, taking the mill rate to 8.905163. ***Cole made motion, seconded by Morrison to amend the original motion.*** Motion to recommend Resolution 2021-22, Adopting 2022 Operating and Capital Budget and Setting Tax levies reflecting the change in assessed value from \$388,945,400 to \$387,674,900. This change took the Mill Rate from 8.876074 and increased it to 8.905163. ***Motion passed 3-0.***

- C. **Discussion and motion to recommend to Common Council approval of the 2022 through 2030 Capital Improvement Plan.** Sergeant discusses some errors that were identified on the original plan. A couple of the street projects did not have total costs in them. The street project errors have not been corrected, however, they have been identified and every year we will keep working through those. The committee reviews the 8 year project plan and asks a few questions. Duggan asks about the Generator project and funds. Roberts explains that it wasn't included in this plan because it was a 2021 project and the money carried over. Sergeant expands on the explanation. ***Cole made a motion, seconded by Morrison*** to recommend to Common Council approval of the 2022 through 2030 Capital Improvement Plan. ***Motion passed 3-0.***

- 9) **Unfinished Business:** None
- 10) **Meeting Discussion:** The next regular meeting will be held December 9, 2021 at 6:00 p.m. This meeting will be in person unless changes are required.

These minutes are not official until approved by the City of Evansville Finance and Labor Relations Committee.

- 11) **Motion to Adjourn:** *Duggan made a motion, seconded by Morrison* to adjourn at approximately 7:07 p.m. *Motion passed 3-0.*

Respectfully Submitted
Kim Dienberg – Accounts Clerk