

**CITY OF NEW BERLIN
PROCEEDINGS OF THE COMMITTEE OF THE WHOLE / FINANCE COMMITTEE
TUESDAY, MARCH 2, 2010**

Call Meeting to Order: Mayor Jack F. Chiovatero called the meeting to order at 7:05p.m.

Roll Call; Declaration of Quorum; Public Notice

Present: Aldermen Hopkins, Wysocki, Seidl, Harenda, and Ament. Alderman Moore and Poshepny were excused. Also present were: City Clerk Kari Morgan, City Finance Director Ralph Chipman, Finance Committee member Jo Kapfhammer, Greg Johnson of Ehlers & Associates, Inc., Human Resources Director Tamy Potkay, Police Chief Joe Rieder, Facilities Management Supervisor Ernie Giesege, Assessor Paul Koller, Parks Recreation & Forestry Director Mark Schroeder, Streets Manager Don Ullman.

This meeting was noticed on Friday, February 26, 2010 in accordance with the Open Meetings Law.

FINANCE

- **Review/Discussion of the City's long term financial plan including:
Debt Service Bottom Line
Identify "Special Funds"** As discussed below.

- **Review/Discussion on the 2011 Budget including:** PowerPoint presentation given by Greg Johnson of Ehlers. It was a replica of what was given to the Finance Committee back in February and had 2011 budget projections. Not projecting significant growth over the next several years in the community. Ald. Wysocki explained the finance committee agreed to begin with 2011 as the base year for the five year plan. Three initial scenarios explained. First scenario uses revenue and growth projections. Results in 2.60% levy increase and \$4.89 mill rate in 2011 compared to \$4.80 mill rate in 2010. Second scenario uses revenue & growth projections including 3% wage increases, benefits and payroll taxes. The projected levy increase would be 4.91% and results in \$5.00 mill rate. Third scenario uses the revenue and growth projections, factors in adjustments for wages, retirement and payroll taxes but also includes debt service for financing projects in proposed capital improvement plan for 2010. This results in a 7.14% increase and a \$5.11 mill rate. Mr. Johnson explained as they go forward, they will model impact of the CIP for future years. They also looked at compliance with state levy limits and all three scenarios would be in compliance with the law. Ald. Wysocki explained that analysis did not include efforts of going through bond financing and the possibility of refinancing which would save. Mayor Chiovatero pointed out that in all three scenarios things not taken into account that are reality are increases in health insurance and fuel and energy which are things we cannot control. Ralph Chipman explained the packet of information he provided to the COW. Ex. A shows they had a positive year since revenues came in at what was expected and expenditures were lower. Ex. B projects what they are looking at for the fund balance. Ex. C does a general breakdown of the past four years of expenses. Ex. D is the adopted capital improvement budget modified to reduce other revenue sources and shows bottom line amounts. Ex. E is debt projection for the next five years and what it does to city's actual budget. Ex. F is a description of special revenue funds. Ex. G takes a look at the West Allis Agreement.
Tax Abatement Status: As discussed above.
West Allis Option: As discussed above.
Furlough Days: Not discussed at this time.

- **Review/Discussion of Citizen Budget Survey:** Ald. Wysocki provided information to the COW on these types of surveys and a company that does this. He explained the contract would include all professional services including drafting the proper survey, postage and printing and analysis report. Mayor Chiovatero received an example from the City of Waupaca. This would give the city substantial input from the citizens. Ald. Wysocki provided a news article to the COW regarding citizen input on budgets. Ald. Seidl stated that this would be of value but questioned proper wording of surveys. Ald. Hopkins feels a survey would tell them a lot about what the citizens want and what they are willing to pay for. Ald. Harenda expressed concern with wording of questions and response statements. Impressed with what finance committee has done, would like to see that continue. Finance Committee will continue with work and invite aldermen to attend their meetings. The next five to six weeks will be spent putting a survey together that

everyone agrees upon and get it out in the next city newsletter. Ald. Ament expressed concern with the way questions are posed on a survey and how it could affect the responses the city will get. Mayor Chiovatero thanked staff and residents for attending. Ald. Hopkins thanked Greg and Ralph for all of their hard work.

ADJOURN

Motion by Alderman Seidl to adjourn at 8:19p.m. Seconded by Alderman Ament and carried unanimously.

Respectfully submitted
Kari Morgan
City Clerk