

MINUTES OF THE COMMITTEE OF THE WHOLE MEETING OF NOVEMBER 30, 2011

Call to Order

President Vanden Berg called the Committee of the Whole meeting to order at 6:00 p.m.

Roll Call

PRESENT: President Vanden Berg, Trustee Berken, Trustee Frassetto, Trustee Hietpas, Trustee Mahlik, Trustee Peerenboom, Trustee Smith

ALSO PRESENT: C. Kell, R. Van Gheem, E. Missett, T. Matheny, T. Flick, J. Elrick, V. Schneider
Nick Vande Hey – McMahon & Associates, Interested Citizens and Media Reps

Public Appearance for Items not on the Agenda

None

Moved by Trustee Frassetto, seconded by Trustee Mahlik to Enter the Public Hearing on the 2012 Budget. (6:02 p.m.)

Ayes 7, Nays 0 – Motion Carried Unanimously

Public Hearing – 2012 Budget

Staff provided a presentation handout on the 2012 budget. Items reviewed in the presentation were the stagnant real estate construction activity, zero permits being issued in 2011 for new home construction and maintaining service levels, and the impact of Act 10 on the levy. The 2012 Budget highlights discussed were the proposal of a tax increase of \$.04/\$1,000 (\$5.40 on a property valued at \$135,000), an increase in the sanitation fees of \$.50 per month, no increases were proposed for 2012 for the sewer rates, storm water rates or water rates. The proposed levy includes a 2% increase for non-representative staff and it uses no undesignated fund balance. C. Kell pointed out that to the extent the Board chooses not to use available levy capacity in this year's budget, will influence next year's budget. Staff reviewed how the levy is allocated between departments, the 2012 CIP projects, historical tax rate trends for the Village, and a comparison of the Village's tax rate to other communities' rates. Staff pointed out that the State Funding reductions amounted to \$.31/1,000 for the Village. C. Kell and T. Matheny also reviewed the alternative tax scenarios presented that would increase the levy various amounts above the \$0.04 to allow for tax levy funding for fleet replacement and facilities and equipment. Trustee Mahlik provided comment on why he supports going to the full \$0.29 increase stating the fleet is deteriorating and overall the taxes for Little Chute will still go down and in the future the Village may not have the capacity to levy for needed equipment replacement. Trustee Mahlik also commented that if funding is not provided for replacement of equipment, then the Village will have to consider outsourcing and that will cost the taxpayers more and he is not in support of outsourcing. Trustee Frassetto commented on reasons she agreed with Trustee Mahlik's comments. Michael Stouffer, 714 Bluff Ave., commented that the budget process can be confusing and in future years he would like to look at the annual increase on all collections for the Village and he feels the total increase this year should be between 1%–2% and he would like to see more attention paid to the replacement fund, and he is not in support of a salary increase for non-reps. Gabe Konopka, 102 E. McKinley Ave., commented on applying caution on increasing the Village's tax rate because the school's tax rate is going down but he understands the need for funding for fleet replacement. Trustee Mahlik provided additional comments of support for increasing the tax rate so the funding for fleet replacement can be built up. Michael Stouffer commented on a \$.09 increase being in the 1%-2% range that he previously commented on. Trustee Smith commented that he has had negative feedback from the public on increasing the taxes. Additional comments were provided by Trustee Mahlik on expected service levels and equipment failures and he stated these issues should not be avoided. Trustee Hietpas commented on taking an opposite approach and going with a 0% increase in the levy and he would be in favor of looking for cuts that can be taken. R. Van Gheem explained that detailed logs are kept on the fleet and equipment. Trustee Mahlik commented on the wear and tear of the equipment. Michael Stouffer commented on setting aside money every year for fleet replacement and he would like to see a fleet and equipment depreciation schedule for future budget discussion. T. Matheny stated that this issue needs to be looked at as a policy decision to determine how fleet/facilities/equipment are going to be funded and whether we are going to

require a tax levy commitment on an annual basis or if we are going to bond for these items and increase debt service. T. Matheny also pointed out that the Board had spent \$1 million out of fund balance this year that wasn't levied and that money has to be replaced. Trustee Frassetto commented that she is not in support of bonding and paying interest for money that the Village is capable of collecting she commented on the decisions made by previous boards that depleted the fleet fund and she stated she can support a \$.029 tax increase as that is in the best interest of the Village. Trustee Frassetto suggested discussing the issue of giving wage increases if that would mean a cut in services. Staff explained that where we set the levy this year is where we start next year and noted it takes \$200,000 a year to fund the fleet replacement over a long period of time, noting that some of the equipment has been pushed out a number of years beyond their life expectancy. Staff noted that at one time dollars were put in the budget each year it was taken out of the budget a few years ago because the only alternative would have been to cut staff and services. C. Kell also pointed out that the Village is operating with a bare boned staff compared to other communities of our size. Trustee Peerenboom suggested that further discussion on the budget be taken up under the resolution agenda item. Michael Stouffer commented on establishing balanced, long-term policies for fleet/equipment replacement.

Moved by Trustee Peerenboom, seconded by Trustee Smith to Exit the Public Hearing on the 2012 Budget. (6:49 pm)

Ayes 7, Nays 0 – Motion Carried Unanimously

Presentation by Fox Cities Greenways – Dave Muench, President

Dave Muench and Tom Walsh from Fox Cities Greenways gave a presentation on Improving a Communities Bicycling Infrastructure. The presentation provided information on bike history in Wisconsin, the Fox Cities Greenway organization, pointed out reasons on why a community should have bike lanes, and provided options for the different types of bike lanes that can be used. A question and answer session followed the presentation. No action was taken and the Board thanked the Greenway Reps. for presenting the information.

Resolutions:

Final Plat for Village North Subdivision

Moved by Trustee Frassetto, seconded by Trustee Mahlik to Adopt Resolution No. 39, Series of 2011 Approving the Final Plat for Village North Subdivision as presented.

Ayes 7, Nays 0 – Motion Carried Unanimously

Granting an Easement for Installation of Natural Gas Main over Village Property to Serve the Village North Subdivision

Moved by Trustee Frassetto, seconded by Trustee Mahlik to Adopt Resolution No. 40, Series of 2011 Granting an Easement for Installation of a Natural Gas Main over Village Property to Serve the Village North Subdivision.

Ayes 7, Nays 0 – Motion Carried Unanimously

Adopting the 2012 Village Budget and Establishing the Tax Levy

Trustee Smith stated he would be open to looking at an amount to levy for fleet and equipment but \$0.29 would be a stretch for him. Trustee Frassetto commented on a savings of \$19,100 if the wage increase is removed from the budget and she commented on the quality of services the Village provides and she doesn't want to look at cutting services. Trustee Mahlik commented on building up the fund to keep the operations going and not pushing off these decisions to another Board. Discussion continued. Staff pointed out that any revenue from the Polk Pond lots would go back into the general fund as \$1 million had been

taken out of fund balance and the fund balance has to be restored. Trustee Peerenboom stated he would like to see a 0% levy increase from this year and he would like to look at options for cutting expenses.

Moved by Trustee Peerenboom, seconded by Trustee Frassetto to eliminate the 2% wage adjustment reserved for the non-represented employees from this budget.

Further Discussion: President Vanden Berg stated he does not support the motion as he feels 2% is reasonable in light of what staff is asked to do. Trustee Mahlik agreed stating that it isn't outlandish and there is a mentality around everywhere that budgets have to be cut and services have to be pulled back and while it is ideal to not raise taxes, things still have to be dealt with. President Vanden Berg commented that the 2% shows some appreciation to the employees for the high level of service that is being provided.

Vote on the Motion:

Ayes 3(Berken, Frassetto, Peerenboom) - Nays 4 (Vanden Berg, Hietpas, Mahlik, Smith) – Motion Failed

T. Matheny commented that if the Board wants to take a look at the budget long term then this is a unique budget year in which to do that as two of the largest cuts which were the retirement savings and the switch made in health insurance are only one year cuts and they will not be available to the Village next year.

T. Matheny encouraged the Board to think long term with this budget as in future years it is likely that fees will need to be increased and/or services will need to be cut.

Moved by Trustee Mahlik, seconded by Trustee Frassetto to increase the tax levy to \$0.29.

Further Discussion: President Vanden Berg questioned the amount that is currently available in the fleet fund. T. Matheny stated the amount in fleet fund will be drawn down to \$687,000 and next year there is a bigger fleet requirement and the concern is that this fund needs to be rebuilt. R. Van Gheem commented that levying \$150,000 a year doesn't buy much and the levy that is designated for fleet right now is only \$50,000.

Vote on the Motion:

Ayes 2 (Frassetto, Mahlik) – Nays 5(Vanden Berg, Berken, Hietpas, Peerenboom, Smith) – Motion Failed

Moved by Trustee Hietpas that the non-represented wage increase be adjusted from \$19,100 to \$5,060 which will result in a Village tax rate of \$6.68 or a 0% increase.

Further Discussion: Trustee Frassetto commented that if we go with a 0% increase this year we are just asking for trouble in the future as these issues are not going to go away and they have to be paid for and we have to be proactive and the taxpayers may be looking at much larger increases from all tax authorities next year. T. Matheny agreed that Fox Valley Tech could very well be issuing a large increase next year and the schools used the same alternatives this year that the Village did for savings so it is very possible that there will be increases from all taxing entities next year. T. Matheny also commented that the property values are not going to go up for 2013. Trustee Smith asked the Finance Director what the amount is that she is comfortable with and T. Matheny stated that realistically the full \$0.29 if not more is needed as \$1 million has been spent from fund balance and she can't guarantee there will be sources of income to re-establish fund balance. T. Matheny stated that staff put the numbers together the best they could while addressing the needs and budgets were brought in with a zero increase and if the tax levy remains flat the Board shouldn't be surprised that there isn't any money to purchase needed items. Trustee Frassetto commented on the Departments already cutting their budgets and making sacrifices. Trustee Mahlik commented that he agreed and this budget is not bloated and the money is for general operations.

Trustee Peerenboom seconded Trustee Hietpas' motion.

Further Discussion: Michael Stouffer commented on parliamentary procedures and questioned if the \$1 million of the Village North subdivision had already been spent. Staff responded that \$500,000 of this was for the houses on W. Lincoln and W. Main and a significant amount had already been spent on developing the subdivision. President Vanden Berg asked if the motion was approved would it lock in the specific line items in the budget and T. Matheny stated it would unless amendments are made.

Vote on the Motion:

Ayes 2 (Hietpas, Peerenboom), Nays 5 (Vanden Berg, Berken, Frassetto, Mahlik, Smith) – Motion Failed

Trustee Berken stated he agreed that some money has to be put in for the fleet fund but he doesn't know if it has to be \$0.29. Trustee Mahlik stated he didn't know what the right number is but the Finance Director is asking for a number she is comfortable with and he commented on the unknowns that have happened in the past and the need to be prepared and the money isn't going to be spent frivolously and on a \$135,000 house the levy would be \$40 if the tax rate is raised \$0.29. Trustee Frassetto commented on not being locked into the \$0.29 every year but the reality is money needs to be put in the fund and she believes that 98% of the people can afford the \$40 to get the services they are accustomed to. Trustee Peerenboom commented that he knows many residents that would be happy to not get a tax increase. Trustee Mahlik commented on it going both ways and residents being willing to pay this for the services they receive. C. Kell stated that he has no question in his mind that the \$154,000 is needed but he asked the Board to find some common ground on the number and what is needed for the fleet fund. Trustee Peerenboom commented that the original budget presented called for a \$6.82 tax rate which is a \$0.14 increase. Trustee Frassetto stated that she doesn't think that is enough money for the fleet/facility funds. Michael Stouffer commented on procedural options to break the gridlock. Trustee Smith stated he could support the \$0.19 increase.

Moved by Trustee Frassetto, seconded by Trustee Mahlik to amend the budget to show a \$0.19 increase or greater.

Further Discussion: Trustee Hietpas stated he would like it noted that if there wasn't the decrease in the school tax levy the Board would not even be talking about this. J. Moes stated he believes that the Finance Director would still be making this recommendation as it is in the best interest of the Village. T. Matheny agreed that the needs for the Village will not change based on what the other taxing entities do.

R. Van Gheem stated that in the past when the school taxes went up, the Village wouldn't raise taxes and in fact the Village cut taxes and the school district's tax levy is always a part of the discussion. Trustee Mahlik again commented on the life expectancy of the Village's fleet/equipment and stated that even if the school taxes hadn't gone down, he would be fighting for the increase and he feels the Board needs to make the proper decision. Trustee Smith stated he doesn't feel he would be fiscally responsible if he didn't favor putting some money into the fund. C. Kell stated that the specific equipment to be replaced is in the CIP and if a different piece of equipment needs replacement but it wasn't in the schedule, that acquisition comes back to the Board for approval. Trustee Frassetto stated the Board needs to be proactive and plan for these issues and the \$1 million in funds used this year for land and house purchases has to be put back in the fund.

Vote on the Motion:

Ayes 4 (Berken, Frassetto, Mahlik, Smith) - Nays 3 (Vanden Berg, Hietpas, Peerenboom) – Motion Passed

Trustee Frassetto commented that it is better to have too much than not enough and realistically if there is excess from taking the \$0.24 instead of the \$0.19 then there is less to bond and pay interest on next year.

Moved by Trustee Frassetto, seconded by increase the tax levy to \$0.24 or greater.

The motion died due to lack of a second.

Moved by Trustee Frassetto, seconded by Trustee Mahlik to Adopt Resolution No. 41, Series of 2011 Adopting the 2012 Budget and Establishing the Tax Levy, amending what was presented to reflect setting the levy at \$3,845,014.

Roll Call Vote: Trustee Berken – Yes, Trustee Frassetto – Yes, Trustee Hietpas – No, Trustee Mahlik – Yes, Trustee Peerenboom – No, Trustee Smith – Yes, President Vanden Berg – No

Ayes 4, Nays 3 – Motion Carried

Unfinished Business

C. Kell reported that he had met with the Mayor of Kaukauna regarding providing building inspection assistance to them and if the Board is agreeable, the Village's Building Inspector will provide inspection services for Kaukauna on a temporary basis (three to four months) and Kaukauna will be reimbursing for salary and benefit costs. Board members indicated agreement with the arrangement. C. Kell also reported that he had been notified by Employee Trust Funds that their computer system will not be able to handle the insurance carve out for the union employees at the first of the year and it may take until the middle of the year for their system to be upgraded to handle the carve out so they are giving the Village two choices. One is to keep all employees in the non-deductible program which means the Village will lose health insurance cost savings for six months or the other possible option is to move the union into the high deductible plan and then they can be moved back once their computer system is upgraded. C. Kell stated he has discussed this with the Village's Union leader who will be discussing it with the union staff. C. Kell stated he is suggesting the Board consider paying their \$1,000 deductible for that time period which will still allow for a \$22,000 savings to the Village minus whatever deductibles are paid and the union's contribution would be kept at 12% and the employees would save \$240 a year and he believes everyone will win under this scenario. C. Kell stated this will be brought back to the Board once the Union makes a decision. C. Kell stated that next week information on the Heesakker Park Pond will be presented to the Board and then a public hearing will be set up for a future meeting to discuss this proposal with the public.

Items for Future Agenda

Clerk Schneider informed the Board that a resident had filed an objection to the declaration of his dogs as dangerous animals and the objection will be on next week's agenda for the Board's consideration.

Employee evaluations will also be reviewed next week in Closed Session.

Moved by Trustee Frassetto, seconded by Trustee Mahlik to enter into closed session. (8:57p.m.)

Ayes 7, Nays 0 – Motion Carried Unanimously

Staff (with the exception of the Police Chief) and the Village Clerk were dismissed from the meeting at this time.

Closed Session:

19.85(c) Consideration of Employment, Promotion, or Performance Evaluation Data of any Public Employee of the Village of Little Chute –Status of Bargaining/Arbitration with the Fox Valley Metro Professional Police Union

19.85(1)(e) Wis. Stats. Deliberations or negotiations on the purchase of public properties, investing of public funds or conducting other specific public business when competitive or bargaining reasons require a closed session – Purchase and/or Sale of Village Property in the Village Industrial Park

Moved by Trustee Peerenboom, seconded by Trustee Mahlik to Exit Closed Session and Return to Open Session. (9:45pm)

Ayes 7, Nays 0 – Motion Carried Unanimously

Return to Open Session – Possible Action on Closed Session Items - No action was taken.

Adjournment

Moved by Trustee Peerenboom, seconded by Trustee Mahlik to Adjourn the Committee of the Whole meeting at 9:45 p.m.

Ayes 7, Nays 0 – Motion Carried Unanimously

VILLAGE OF LITTLE CHUTE

By: Michael R. Vanden Berg, Village President

Attest: Vicki Schneider, Village Clerk