

**TO:** MAYOR & FINANCE COMMITTEE  
**FROM:** CLERK/TREASURER  
**SUBJECT:** FINANCE COMMITTEE BUDGET MEETING - ACTION ITEMS FROM SPRINGER MEMO  
**DATE:** SEPTEMBER 19, 2013

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FINANCE COMMITTEE BUDGET MEETING - ACTION ITEMS FROM SPRINGER MEMO

Below is the list of my action items flowing from the memo reviewed and generally accepted by the Finance Committee on August 20<sup>th</sup>:

1. Identify total available dollars for 2014 Capital Fund Expenditures
2. Identify borrowing options for 2014 Capital Fund Expenditures
3. Present a proposal for increasing Sanitary Sewer fees to fund conveyance system project identified in the Town & Country Engineering I & I Study.
4. As a follow-up to not hiring a fifth DPW worker, calculating the cost of a half-time or LTE position with limited benefits.
5. Provide cost analysis for a 1% increase in the Chief and Administrative Assistant position and a 3% increase for the Lieutenant. Insert a 0% increase part-time police staff.
6. Provide a cost analysis for 1% increase for all other City employees not represented by the union.
7. Provide a cost analysis for changing employee co-pays to match a 2014 rate of increase in premium costs.
8. Show all other departments operating expenditures at a 0% increase.

## Budget Meeting

08-20-2013

The following are some of my thoughts on budgeting for 2014. With the recent information that we have received about our current sewer system and problems the City faces a very expensive dilemma and how to resolve this. If there is no grant money available to assist us with correcting the noted areas and future upkeep and maintenance for problems down the road I think we need to seriously consider allotting a sizable amount in the budget for fund 400 capital outlay. What amount I have no idea. It is obvious we cannot raise the budget by \$1.5 million just to cover our need now and put that kind of increase into the taxes. We do need to look down the road at the sewer project possible funding available and a possible increase in the sewer charge on the monthly bills that will be directed strictly to the sewer rejuvenation project. Adding a minimal percentage increase in the monthly sewer charge will certainly lessen the burden on the tax payers versus a large increase in the property tax and mill rate.

Gary has proposed adding a fifth street worker in his 2014 budget which I don't see as a feasible option this year. I am not convinced that the work load, for one, warrants the additional position, and with current budget restraints I would be hard pressed approving that. Until we have numbers on the increase in health insurance, retirement etc. and have a better idea of where we stand financially. If money is available I would consider a half-time or LTE position with limited benefits.

Chief Thomas continues to bring up the fact that he feels the gap between the Sergeant and Lieutenant are too close and in essence the Sgt could make more than the Lt with overtime. This problem exists at all departments separating supervisory, salary employee and hourly employees. There are additional benefits taking a salary position such as the Lt position including Monday through Friday schedule, weekends and holidays off along with flexibility in scheduling when you look at the definition of salary employee. Since the inception of the Lt position the problem has not been the gap between Sgt and Lt being too close but the gap between Lt and Chief being too great. Past history on raises has been a percentage raise for all positions. By doing this, these gaps continue to increase between positions. With this in mind, I am thinking of a 1% increase in the Chief and administrative assistant with the 3% increase to the Lt position and the 3% mandatory increase for the union employees covered under the contract. I am also proposing 0% increase in the part-time employee wage for this year. I would suggest that the City in future years consider alternating between a "Flat monetary increase" and a "percentage increase" to help slow the gaps between positions.

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Wages for all other City employee's not represented by the union I would suggest a 1% increase until we have a better idea where we are financially with other areas. Should there be an increase in health insurance premiums I would suggest increasing the co-pay for the employees portion I.E. if the Dean premium increases 7% over last year, the employee's co-pay increases by 7%.

I also think the City needs to look at and re-evaluate its current sick leave policy and usage. Many City's and private business have eliminated sick leave and it's accrual and now offer 5 personal days per year, use it or lost it. The City has wage continuation insurance for catastrophic sickness or injury that can be used instead of sick time. The current payout structure of our sick leave policy becomes an unbudgeted expense when employees retire and meet the current qualifications to use accumulated time for health insurance premium after retirement.

Last any other budget requests for additional departments (FD, Park Board etc.) for operating remain a flat budget, no increase over last year.

These are just some thoughts I have had since the last budget meeting and I look forward to opinions and options.

Bill