
COMMON COUNCIL SPECIAL MEETING
March 31, 2008

CITY OF ELKHORN
COUNCIL CHAMBERS, 9 S. BROAD ST., ELKHORN, WI 53121

Mayor John Giese called the Common Council to order at 5:30 p.m. in the Council Chambers followed by the Pledge of Allegiance, followed by Roll Call.

ROLL CALL

Present: Mayor John Giese; Aldermen Ronald Dunwiddie, Scott McClory, Gary Payson, Howie Reynolds, Julie Taylor, Charles Van Dyke

Also present: City Administrator Sam Tapson, City Clerk Nancy Jacobson, Police Chief Joel Christensen, Finance Director/Treasurer Mary Hinske, Electric Utility Director Art Schmitz, Fire Chief Rod Smith

WORKSHOP

Financial Management Plan

City Administrator Tapson presented an overview of the City's financial condition and alternatives to improve the condition. He asked that there be some decisions made due to the upcoming 2009 budget cycle. Phase I of Ehler's "Interactive Financial Management Plan" is near completion and ready to move on to the next phase. The City's financial condition is impacted by the levy limit regulations, expenses increasing higher than the levy, declining state aid payments, declining development in the City, unfunded retirement payout benefits, TID valuation, and lean staffing levels.

Since 2002, staff has made some changes that improved the financial condition of the City. They include redistribution of administrative staff support and operating costs of City Hall to the utilities, restructure of command at the Police Department, including the elimination of a full parking enforcement officer and adding the Community Service Officer, closed the compost facility, and cut back on funding to outside groups, increased some fees, implemented the fire inspection fee, and reassigned some costs like sidewalk replacement to a debt structure.

Tapson said that in 2009 the City will have a deficit of \$170,000 and by 2013 it will be \$900,000. Council discussed the following actions recommended by Tapson:

1. Incremental Reduction of Vehicle Replacement Contributions and switch to short-term borrowing.
2. Restructure General Fund Reserve Balances
3. Close TID 2 at Earliest Possible Opportunity
4. Levy Stabilization Account Drawdown
5. Use of Undesignated Surplus.

Tapson asked that Council consider long-term solutions. He recommended hiring an external facilitator to determine what are those solutions. Further work on the financial state of the City would be done through Finance and Judicial Committee.

Council members asked that Tapson seek proposals from potential facilitators. Alderman Payson agreed that a facilitator would be helpful, but get the "best for your buck" without going "cheap."

Alderman McClory is not in favor of any staff reductions. He was in favor of the recommendations of Tapson. McClory was concerned that the facilitator would only tell the Council what it already knows.

Tapson said that the facilitator would be able to assist staff and Council in making difficult decisions such as level of service.

ADJOURNMENT

Nancy B. Jacobson
City Clerk