

City of Bayfield Special Common Council Meeting

Minutes of Thursday, April 29, 2021, 7:30 a.m.

Call to Order – Roll Call – Pledge of Allegiance: Mayor Ringberg called the meeting to order at 7:30 a.m. followed by roll call and the Pledge of Allegiance.

Present: Bryan, Burkel, Carrier, Cirillo and Mayor Ringberg

Others: Ted Dougherty, PWD Kovachevich, Chief Fangman, Treasurer Johnston, Clerk Hoopman, GBWWTP Operator Pearson and Office Assistant Mather

Review/Approve Agenda: Burkel/Cirillo made a motion to approve the agenda as presented. Carried.

Public Comment and Suggestions from Persons Present: None.

Review/Approve the Common Council minutes of March 31 and April 21, 2021: Bryan/Cirillo made a motion to approve the previous meeting minutes as presented. Carried.

Agenda

Review and discuss Bakertilly's Financial Plan and Supports Documents. It was determined the Council would go through the document page by page. All comments and input is welcome:

Pg. 2 General Comments:

Carrier noted the following:

- He felt critical pieces of information are missing or understated.
- Feels the document is a tool that will be helpful going forward.
- Document provides truth to what we have known.
- Will be an effective budgeting tool.

Pg. 2 Historical Financial Health

Councilors would prefer five years of data. The Council was told Bakertilly is planning to add 2016 and 2017 to the overall document.

Pg. 3 General Fund

Hoopman noted we forecast the surplus funds and use them to balance the next year's budget. The \$80,000 noted is already spent.

Pg. 4 Fund Balances

They seem high. The Council would like a breakdown of the funds to get a better understanding on if they include funds that have or need to be earmarked for other projects (designated vs. undesignated).

Pg. 5 General Fund

Do we know why the Capital Outlay % increased to 16% in 2020? Why is 2018 so low?

Pg. 6 General Fund

Overall, this graph is liked by the Council.

Pg. 7 General Fund

Some discussion ensued about the Special Revenues and Grants and what was included. Would it make sense to include a note at the bottom of page if the Special Revenue include all money or only what the City can keep? Grants – what project?

Pg. 8 – General Fund

Overall, the Council was unsure what made up the forecasting, however they understood expenses are exceeding revenues at an alarming pace, which is unsustainable.

Pg. 9 – General Fund

The Council went through items 1-9, options for consideration. They felt items 3,4, and 5 were the only viable options, with the referendum being the most difficult. They did not feel the report clearly showed how financially devastated we are surpluses each year, large fund balances, increasing water & sewer fund balances, etc.

The fund balance might need to be better spelled out on what they are made up of. Can you provide that simplified breakdown?

For example, the Utility needs to make a large debt payment in February, so money is saved for that item... it is a little misleading to others... they think there is that much money left at the end of the year.

Investigating paid parking and how to maximize Harbor revenues are immediate means to generate additional revenues. Increasing the amount of the pilot payment made by the Utility to the General Fund was also suggested.

Pg. 10 – 14: Special Revenue Funds

Mostly the charts were not that helpful to most. The green ending cash lines do not seem to make sense and it was clear we need to provide a better forecast of costs to show a truer picture. We also noted that some of last year's projects have gone up considerably due to Covid/Storms, etc. The Harbor Project is now estimated at over \$4.7 million, and the Courthouse Project is up to \$550,000.

What is the best method to forecast CIPs? Comprehensively, or what the City can likely afford? With or without revenues stated like potential grants, savings, donations? When is it best to change the values like in the cases of the Harbor and Courthouse which were underbudgeted?

Pg. 14 – Enterprise Funds

Seems like the Utility is doing great, when just a few years ago they were indebted to the City for non-payment of some payroll items and their pilot payments. Should a note be included to show the saved revenues for their debt payments, or known future projects? We feel the customers would wonder why we have had the recent rate increases if this is not spelled out.

The worksheets were helpful, but it would be helpful to understand some of the trending figures included: stagnant Equalized Values, population (we are currently at 484 per the 2020 Census Estimate), is it likely our debt will go down (lowering property taxes), etc.

Next Mtgs.

May 19 – Board of Review, 2– 4 pm

May 19 – Reg. Meeting, 4 pm (immediately following BOR)

June 16 – Reg. Meeting, 5:30 pm (Council will try and resume to in-person meetings, possibly at Pavilion)

Adjournment: Carrier/Cirillo moved to adjourn. Carried. (8:58 a.m.)