

Finance Committee Meeting Tuesday 03.05.2024.

The meeting commenced at 2030 hrs.

Committee members in attendance: Chairman David W. Voss, John Hardig, Lindsey Keeble and Brian Smyth.

Other council members in attendance: Troy D. Borgman , Amy Richter, and Stefanie Hawk.

City officials: Mayor Sam Keller, SSD Steve Braun, Police Chief Jeff Patton, Fire Chief Robert Klein and President of Council Kerry Smyth.

Others: None

Meeting Objectives: To discuss the 2024 Appropriations. Prior to the meeting, the appropriations were given to everyone at the council meeting February 20th. Copies of a spreadsheet titled "2024 Appropriations versus the 2023 Expenditures" was provided by the chair to everyone at the start of the meeting.

Discussion: Police Chief Jeff Patton offered information relative to the 20% increase in the 2024 appropriations versus the 2023 expenditures. Highlights: The implementation of full-time staffing of three officers per shift. Wages will increase 4% per contract in 2024. The purchase of a new cruiser, computer replacements and rising fuel costs. Chief Patton provided a copy of the Proposed 2024 Police Budget with explanations of the projected cost of each line item with explanation.

Fire Chief Robert Klein provided in detail reasons for the increasing costs to operate the fire department and provided a copy of his 2024 Budget Request. Highlights: The Fire Department collected \$315,876.78 re EMS billing and revenue. Wages will increase 4% in 2024 per contract. Factored in is mandatory training of 72 hours for each person to maintain mandatory certifications and the addition of three full-time positions in 2023. Fuel costs are increasing. The replacement of the 2007 Chevrolet pick-up truck that has a defective fuel pump The cost to repair the oil pump exceeds the value of the truck. There will be a need to replace the 1997 Pierce pumper truck (27 years in service) in the future. The life expectancy of a fire truck is twenty years. Replacement cost is approximately \$700,000.00. The fire department appropriation for 2024 is an increase of 38% over the 2023 expenditures.

The complete appropriations package was considered by the committee with input from the Mayor and the Safety Service Director. There were questions about costs increasing well more than projected inflation for 2024. The grand total general expenses for 2024 are \$7,161,997.56 while the 2023 expenditures were \$ 6,044,390.30, an eighteen percent increase. A realistic number for inflation in 2024 is about 6.5%.

The carryover amount not appropriated for 2024 is less than \$25,000.00. The city does not expect to spend the total 2024 appropriation amount and anticipates having a \$100,000.00 carryover.

In conclusion, the chair requested the Administration to prepare a three-year operating forecast. Fortunately, the electorate passed a three mill fire levy at the November 2023 election and council adjusted garbage fees to cover the ongoing costs of this service. These increased sources of revenue are finite , spending increases in excess of the rate of inflation is unsustainable.

The meeting concluded at 2120 hrs.

Respectfully submitted,

David W. Voss, Finance Chairman

John Hardig

Lindsey Keeble

Brian Smyth