

1 The Special Meeting of the Common Council was called to order at 6:00 p.m. on Monday,
2 November 12, 2018. It was noted that the meeting had been announced and a notice posted at
3 City Hall.

4
5 Roll call was taken, with the following members present: Mayor Joe Chilsen, Ald. Jim Binash,
6 Ald. Ron Gjertsen, Ald. Jim Olson, Ald. Kim Smith, Ald. Diane Wulf. Ald. Jerry Every arrived
7 with the meeting in progress.

8
9 Also Present: City Administrator Eric Rindfleisch, City Clerk Cari Burmaster, Financial
10 Services Director/Treasurer Fred Buehler, City Attorney Sean O’Flaherty, Human Resource
11 Director Hope Burchell, City Engineer Jarrod Holter, Planner/Zoning Inspector Katie Aspenson,
12 Parks and Recreation Director Dan Wick, Police Chief Troy Miller, Fire Chief Billy Hayes,
13 Deputy Finance Director Kim Isensee

14
15 **Item 2 – Approval of minutes from the previous meeting (October 9, 2018)**

16
17 Motion by Ald. Olson, second by Ald. Gjertsen, to approve the minutes from the previous
18 Common Council meeting as printed and on file in the City Clerk’s Office.

19
20 On voice vote, motion carried.

21
22 **Consideration and possible action on the following items:**

23
24 **FINANCE**

25
26 **Item 1 – Public Hearing: Approximately 6:00 P.M. (public input limited to 3 minutes per**
27 **individual) – On the proposed 2019 Executive Budget, including the Budgets for General**
28 **Fund, Special Revenue Funds, Debt Service Funds, Enterprise Funds, Capital Project**
29 **Funds, and Community Development Authority Funds**

30
31 Mayor Chilsen opened the public hearing and called for anyone wishing to speak on the
32 proposed 2019 Executive Budget.

33
34 **Susan Martin, Onalaska Police Department Records Specialist**
35 **Holmen**

36
37 Susan thanked the Finance and Personnel II Committee for recommending that there continue to
38 be two full-time Records Specialists in the Police Department. Susan said, “I appreciate your
39 time and consideration in recommending this change to the budget, as well as the entire Police
40 Department and all the officers do as well. Thank you for understanding the importance of these
41 positions to help ensure that the Police Department runs as smoothly and as efficiently as
42 possible. I also would like to express my sincere appreciation for recommending this budget

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43 change for myself, and for my family. I truly enjoy my position, and I hope to provide many
44 more years of service to the Police Department and to the City of Onalaska. I would like to ask
45 the entire Common Council at this time to please continue with this recommendation from the
46 Finance and Personnel [II] Committee to approve this change to the 2019 Budget, to retain two
47 full-time Law Enforcement Records Specialists. Thank you for your time.”

48
49 Mayor Chilsen called three times for anyone else wishing to speak on the proposed 2019
50 Executive Budget and closed the public hearing.

51
52 **Item 2 – Recommendation and possible action in regards to the 2019 City Budget changes**

53
54 Mayor Chilsen asked if there are any changes the Council wishes to make to the budget.

55
56 Motion by Ald. Smith, second by Ald. Binash, to reinstate into the General Fund of the 2019
57 City Budget the Law Enforcement Training Aid at \$4,000, and the State Aid Personal Property at
58 \$54,537, for a total of \$58,537.

59
60 On voice vote, motion carried.

61
62 Motion by Ald. Wulf to remove \$75.00 under Library Fund No. 100-55110-291 (“Transcription
63 Contractual”) and transfer it to Parks and Recreation.

64
65 Ald. Wulf asked Fred for guidance as to which Parks and Recreation fund the \$75.00 should be
66 transferred.

67
68 Fred said he will defer to Dan.

69
70 Dan asked that the \$75.00 be transferred to Parks Account No. 100-55200-340, which is the
71 “Operating Supplies” account.

72
73 Motion by Ald. Wulf, second by Ald. Smith, to remove \$75.00 under Library Account No. 100-
74 55110-291 (“Transcription Contractual”) in the 2019 City Budget and transfer it to Parks
75 Account No. 100-55200-340 (“Operating Supplies”).

76
77 On voice vote, motion carried.

78
79 Motion by Ald. Smith, second by Ald. Binash, to reinstate in the 2019 City Budget the full-time
80 position of Police Department Records Specialist (Change No. 2) for a net change of \$38,382.

81
82 Ald. Binash asked if this change will be funded through the Equipment Replacement Fund.

83
84 Ald. Binash was told yes.

85
86 Fred referred to Change No. 3 on a handout distributed to the Council and said this will be
87 another motion coming forward.
88
89 On voice vote, motion carried.
90
91 Motion by Ald. Smith, second by Ald. Wulf, to approve Change No. 3 utilizing \$57,060 from the
92 Fund Balance in the 2019 City Budget.

93
94 On voice vote, motion carried.
95

96 **Item 3 – Public input on the new changes to the 2019 City Budget**

97
98 Mayor Chilsen called three times for anyone wishing to speak to the changes to the 2019 City
99 Budget and closed that portion of the meeting.

100
101 **Item 4 – Recommendation and possible action in regards to the 2019 City Budget**

102
103 Motion by Ald. Wulf, second by Ald. Smith, to approve the 2019 City Budget, as amended.
104
105 Mayor Chilsen called for a roll call vote.

106
107 On roll call vote: Ald. Kim Smith – aye, Ald. Ron Gjertsen – nay, Ald. Jerry Every – nay, Ald.
108 Jim Olson – aye, Ald. Jim Binash – aye, Ald. Diane Wulf – aye. Motion carried, 4-2.

109
110 Sean said he believes Fred will need time to insert the financial figures into Ordinance No. 1622-
111 2018 and distribute it.

112
113 Fred said the budget reflects the changes that were made at the Finance and Personnel II
114 Committee level, adding he had utilized some assumptions.

115
116 **Item 5 – City of Onalaska – Ordinance No. 1622-2018 – to adopt the appropriation budget**
117 **for 2019 (Suspend rules to give ordinance its First, Second, Third and Final Readings)**

118
119 Motion by Ald. Smith, second by Ald. Wulf, to suspend the rules and give Ordinance No. 1622-
120 2018 its First, Second, Third and Final Reading.

121
122 On voice vote, motion carried.

123
124 Motion by Ald. Smith, second by Ald. Binash, to approve Ordinance No. 1622-2018 – to adopt
125 the appropriation budget for 2019. The attached ordinance includes the changes, which were

126 recommended at the October 30 Finance and Personnel II Committee meeting, made at this
127 evening's meeting.
128
129 On voice vote, motion fails, 4-2, as there must be a three-quarters super majority for approval.
130 Ald. Binash, Ald. Olson, Ald. Smith, and Ald. Wulf voted to approve Ordinance No. 1622-2018.
131 Ald. Every and Ald. Gjertsen voted against Ordinance No. 1622-2018.
132
133 The recording of the meeting resumed with Sean stating the reconsideration may either be for
134 Ordinance No. 1622-2018 or the prior motion regarding the budget.
135
136 Mayor Chilsen asked if any of the alderpersons wishes to reconsider either the budget or the
137 appropriation.
138
139 City Administrator Rindfleisch asked if there is an opportunity for a motion that will open the
140 floor for discussion.
141
142 Sean said yes.
143
144 Ald. Every asked what the Council is discussing.
145
146 Mayor Chilsen said the Council either must reconsider Item No. 4 or Item No. 5.
147
148 City Administrator Rindfleisch stated for clarification that Item No. 4 was for the 2019 City
149 Budget, and he said that under Ordinance No. 3-1-3(e)(4) the budget has been approved by a
150 majority vote of 4-2. City Administrator Rindfleisch noted the Appropriations Ordinance is the
151 second part and said the motion failed, 4-2. Therefore, the expenses have been approved, but the
152 levy to fund the expenses has not been approved. City Administrator Rindfleisch said the
153 Council may make a motion either to reconsider the appropriations or the budget portion.
154
155 Mayor Chilsen noted that while the budget, which is the expense portion, has been passed, the
156 city is not able to collect funds. Mayor Chilsen said, "Somebody is going to have to move,
157 because otherwise we'll just be expending money."
158
159 Ald. Every said he wishes to speak to the levy, stating, "I think our expenses are ... We spend
160 too much money – period, the end."
161
162 Mayor Chilsen said he believes there should be a motion on the floor.
163
164 City Administrator Rindfleisch said if there is a question regarding the levy, there should be a
165 motion to reconsider the levy, adding that it would not indicate a change of vote.
166

167 Motion by Ald. Every, second by Ald. Gjertsen, to discuss reconsidering the levy portion of the
168 2019 City Budget.

169
170 Ald. Every said the difference between the actual levy, which was \$5,962,421 for 2018, and
171 \$6,325,971 for 2019, is close to \$400,000 (\$363,550). Ald. Every said, “We know that probably
172 70 to 75 percent of that is in salaries and benefits. I don’t want to mess with that portion. What
173 I’m saying is that there ought to be some room in there someplace in a city that carries almost \$9
174 million in surplus funds [and] \$13 million in temporary investment funds. Every single utility
175 fund is running well over \$1 million in their ending cash balance this year according to the
176 projections we were given. I see no reason for any increase in any rates of utilities. We have
177 received notice from the City of La Crosse they’re not going to increase our treatment rate until
178 the end of 2019. Yet we have people here who want to your rates now with the idea being that
179 they want to continue to have this big fund balance going down the road. You don’t know
180 what’s happening down the road, and I don’t know. But I don’t think the taxpayers ought to be
181 left on the hook for it.

182
183 I did some calculating on all these various raises that are being proposed. In the Sewer Utility,
184 the Water Utility, the Storm Water Utility, and the General Fund. If you add all of those things
185 up, you don’t come up with just 4½ percent on what is levied. You come up with about \$111 in
186 different funds that we’re proposing to raise. One hundred and 11 dollars for an average
187 \$150,000 home. That’s not counting what [La Crosse] County might raise the city, the county or
188 the [Onalaska] School District. It looks like there’s none there. But there are other special
189 assessments and things that will be coming along. To me, that is too big of an increase. What I
190 would like to propose is that we take \$200,000 out of that surplus fund and apply that to the
191 revenue so that we can levy less against the taxpayer. I also would ask that we do not raise any
192 utility charges because we do not need to – and our own figures will show that. You can look at
193 all the handouts we’ve gotten – I’ll be glad to show them to you – and the figures don’t lie. The
194 figures tell me I’m right on the money. But if you’re looking down the road and you want to
195 project way down the road someplace, yeah, maybe you want to have more money in the bank.
196 But right now I think we have plenty. We have enough in that surplus fund right now to run this
197 city a full year without any tax on anybody. That’s not counting all the different surpluses that
198 we have. There’s over \$1 million in some utility bonds that have been completed in 1990, for
199 God’s sakes. This money is sitting there in these different bond funds. It’s over \$1 million.
200 Some of it may be needed for the things that occurred in 2016, 2015, 2014 – maybe. I would
201 doubt if they’re not done. I am saying there is plenty of money, and we don’t need to tax our
202 people any more. If you want to do that, that’s fine. But I, for one, will not vote for it. Yes, we
203 can just sit here if that’s what you want to do.”

204
205 City Administrator Rindfleisch asked Ald. Every he had proposed a reduction in the levy in the
206 amount of \$200,000.

207
208 Ald. Every said yes.

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209

210 City Administrator Rindfleisch said the utility rates are not in question with the levy, and he
211 asked Ald. Every if he had made his proposal in the form of a motion.

212

213 Ald. Every said he had not yet made the proposal in the form of a motion.

214

215 City Administrator Rindfleisch asked Fred to discuss the \$13 million in temporary investment
216 funds.

217

218 Fred stated the City of Onalaska does not have \$13 million in this General Fund Balance, and he
219 said there is \$12,857,000 in investments, and a negative-\$300,334 in cash, for a balance of
220 \$9,522,000. Of that \$9,522,000, the city had a fund balance of \$8,304,341. This means there is
221 \$1,218,617 to pay the bills for the next three months. Fred noted Ald. Every had stated the city
222 has funds dating from 1990, and he then directed the Council to examine the Capital Projects tab.
223 Fred pointed out the only projects that are open are from 1998 and the rest are closed. Fred
224 noted the Board of Public Works had gone on record to utilize the remaining funds from 1998
225 and close out that fund. This means 1998 will be closed in 2019. Fred noted there was a balance
226 of \$259,000 in 2008, with the majority of it earmarked for library of unspent funds. Fred noted
227 in 2011 there was \$22,510 in uncompleted projects. Also, there are ongoing projects from 2016,
228 2017, and 2018. Fred said there is approximately \$86,000 remaining for 2016; and \$354,000
229 remaining for 2017. Fred said there are “numerous projects” on which funds are being utilized
230 via the 2018 and 2019 Capital Projects.

231

232 City Administrator Rindfleisch addressed the reserves and said there had been a discussion two
233 years ago regarding the fact there is “a healthy amount of reserves. Baird looks at it as 68
234 percent, and Monica [Hauser of Hawkins Ash CPAs], our accountant, sees it as 88 percent.
235 Unfortunately, we have a real-life example of the way the state allows us to operate within our
236 budgets. This is something that I see potential for using, but unfortunately the state has it set up
237 that we cannot. Right now, Green Bay is sort of suffering through that same decision made
238 earlier. It’s a little bit different situation. In 2017, they had stadium tax revenues from the
239 Lambeau Field tax revenues. They utilized a healthy amount of that so it did not levy the full
240 amount. While they did increase the levy in the 2018 budget slightly, they used the undesignated
241 fund balance to pay for those services, which is what we’re looking at doing, and with a healthy
242 fund balance. The challenge is that while the expenses never decreased with what Green Bay
243 was looking at, your ability to raise revenue is limited. So on unlevied funds from one year do
244 not carry over 100 percent to future years. What happened in Green Bay is they created a budget
245 shortfall for the 2019 budget by not levying the full amount. They basically had to increase the
246 taxes to the full amount, which we don’t do here right now, and they’re cutting some substantial
247 services in order to make that budget hold full again because of the use of reserves. They can’t
248 raise the levy high enough to account for what they used, both with the fund balance in 2018 and
249 the stadium tax revenues in 2017. In a perfect world 90 percent of our budget could be using our
250 reserves and only [have] a 10 percent tax levy. But that would mean in the 2020 budget we

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251 would only be able to increase our tax levy a minute amount from the 10 percent we would have
252 left, which would mean we are willingly and knowingly doing layoffs and cutting back on
253 services in 2020. The state just simply does not allow us to levy unless we go to a referendum
254 question, which we've talked about potentially doing for public safety in the 2019, 2020
255 timeframe."

256
257 City Administrator Rindfleisch referred to copies of several articles he had distributed to give the
258 Council "real-life examples," and he said there likely are some financial figures from the
259 reserves the city could utilize so that Moody's would not downgrade the city's rating. City
260 Administrator Rindfleisch noted Green Bay will be utilizing more of its levy on principal interest
261 as the city will be downgraded in its rating. City Administrator Rindfleisch referred to a
262 comment in one of the articles that stated, "*They were trying to do what is right for the taxpayer,*
263 *and it ended up hurting them in the long run.*" City Administrator Rindfleisch said, "That's my
264 concern here. The way the state allows us to increase levies is limited. Our expense restraints,
265 there is a smaller payment we get from that. That's less of the issue right now than the use of
266 those fund balances. I would caution that. I think there is a major impact of doing that. I think
267 there probably are ways we can start looking at that without causing too much damage in the
268 long term."

269
270 Fred reminded the Council there was an 8.6-percent increase in healthcare, or \$115,317 on the
271 General Fund alone. Fred also noted there were increases in debt service (\$51,536) and Shared
272 Ride (\$38,356).

273
274 Ald. Every acknowledged the increases in the levy for Shared Ride, Municipal Court, and a
275 couple of other areas. Ald. Every said, "They're all losing money – every one of them. I don't
276 know why we're in those businesses, and I have proposed that we get out of them – to no avail.
277 I'm not proposing, Eric, that we use 90 percent of our reserves. I'm talking about the unassigned
278 reserve, and \$200,000 will still leave \$7,600,000 in that unassigned reserve."

279
280 City Administrator Rindfleisch said he agrees and that there might be "room to work" with an
281 unassigned amount. City Administrator Rindfleisch said that when funds from an undesignated
282 reserve are utilized, "you're planning a budget that operates in a shortfall. That's something that
283 Moody's is very concerned about. I think there is room to work there. Is it the full \$200,000? I
284 don't know. But I think we can probably find a number that is comfortable."

285
286 Ald. Every reiterated he believes it can be done without touching the salaries and benefits
287 portion, and he said, "That's what I would like to see done, and I would like to see what that
288 looks like."

289
290 City Administrator Rindfleisch said if it is the will of the Common Council, a motion could be
291 made to reduce the levy by \$200,000 and utilize undesignated reserves. City Administrator

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292 Rindfleisch reiterated he would caution against \$200,000, but he also told Ald. Every, “That’s
293 your decision, not mine.”

294

295 Ald. Every said the reason he is doing that is because it appears the city will end the year with a
296 positive balance, with the exception of the areas in which the city is not profitable. Ald. Every
297 said, “I don’t think it’s going to hurt us in the long run. It looks like next year we should come in
298 with a surplus again. Last year [it] was [more than] \$600,000. That’s all taxpayer money, and
299 the problem with keeping that money into those bond funds, and using it, is you’re not going
300 through the taxpayer when you re-spend that money. This Council has a habit of spending
301 unbudgeted money. We could go through the minutes of every meeting and find at least one or
302 two. That’s cheating the taxpayer. That money should have gone back to the taxpayer, and if
303 you wanted to spend it on something else, that should have gone through the normal process like
304 the committees and the normal vetting that we do with any project that has to have money spent
305 on it.”

306

307 Motion by Ald. Every, second by Ald. Gjertsen, to take \$200,000 from the unassigned reserve
308 and apply it to the tax levy.

309

310 Ald. Wulf asked that the motion be restated.

311

312 City Administrator Rindfleisch said the motion is to reduce the tax levy in the amount of
313 \$200,000 that would be taken from the undesignated fund balance. City Administrator
314 Rindfleisch said, “It doesn’t change any expenses. It would just reduce the levy.”

315

316 Ald. Every told City Administrator Rindfleisch he had read the article regarding the City of
317 Green Bay and said, “I don’t know what their problem was. I think it’s too much spending.”

318

319 Ald. Binash said, “I can appreciate wanting to be a good steward for the citizens, and whatever
320 we vote on affects each one of us, whether we’re older and on a fixed income or what have you.
321 But if you look at the history of the City of Onalaska, you’ll see that it’s been a very conservative
322 approach. This is not a spend-free city. Our accountant explained to us why we’re going to need
323 to adjust our utility rates. Moody’s explained to us why we need to do what we need to do with
324 our bonds. It was explained to us that if you use your surplus funds, you could end up with not
325 having enough money to pay your bills. And if you don’t have enough money, you have to
326 borrow it. Right now we are actually getting interest on money that we have. But if you have to
327 go out and borrow money because you don’t have enough reserves, then you have problems.
328 You have a couple problems because then your bond rating might change, and then you’re going
329 to have to increase taxes to make up for the difference because you were foolish in spending
330 your surplus funds. The utility funds go a long way in helping us progress as a city because
331 we’re looking to expand or annex and do other things. Plus, there are needed services that are
332 going to be needed for certain areas of the city.

333

334 Also, if there is money available ... Take, for example, that's what happened in the last several
335 years and all of a sudden we have an emergency with our wells [or] some of our pumps. Then
336 you have to find the funds to pay for it. If you have unbudgeted money and somebody needs
337 something, you ought to be very happy that the city had the foresight to have those funds
338 available so you don't have to go back to the citizens and increase your taxes. Right now you're
339 not increasing the taxes. There was a zero budget [increase], and the money you're talking about
340 was for benefits and salary. If you're going to take money out of the undesignated funds, I think
341 you're putting the city in a very bad position. You only get the money once a year: the taxes that
342 you collect from the citizens. And you get some money from the state. If for some reason you
343 have to have money to make up what you don't get from taxes, you ought to be very thankful
344 you have those surplus funds to use. I don't agree that we need to cut anything right now. The
345 city is not spending free. We are not doing anything that would be considered foolish. We're
346 working to make the city services work for the citizens of the city. Everything that we've had
347 presented to us – from the accounts, from our City Administrator to our Finance Director –
348 [after] sitting through all that, I don't think that the city should be taking any other measures
349 other than what we have done so far to approve the budget. We're taking a big step backward if
350 we do some of these things, and it's only going to hurt the city in the long run.”

351
352 City Administrator Rindfleisch noted he had just performed some rough calculations and he
353 referred the Council to the “2018 Municipal Levy Limit Worksheet” (Form SL-202) included
354 within the budget books. City Administrator Rindfleisch directed the Council's attention to
355 Section B (“Adjustments from Previous Years – Unused Levy”) and noted it shows that in the
356 previous year the city did not levy \$256,465 that it could have. City Administrator Rindfleisch
357 next referred to Line 4 of Section B and noted there is a calculation whereby the actual levy is
358 multiplied by .015, and the ability for a municipality to increase its levy is the lesser of those
359 two. City Administrator Rindfleisch said, “In theory, if we don't use the \$200,000 that we have
360 – plus, we're already not levying \$281,297 – we'd be adding another \$200,000 to that. It would
361 be \$481,000 we would not be levying. But going forward, the allowable increase would be
362 about \$170,000. That's where Green Bay kind of got into that circle where they reduced the
363 levy. In this case, it would be almost \$500,000 that we'd be reducing the allowable levy. But in
364 case of an emergency next year, we'd only be able to replace that by about \$170,000. That's
365 how that calculation works over time. Where Green Bay is, it's to be determined what their
366 expenses are. But that's why not levying near your capital amount is you can never really
367 replace that over time. It puts us in a tougher spot later on. Our expenses won't decrease, but
368 our ability to levy will. If we keep the expenses at the \$500,000 amount, we'd only be able to
369 collect \$172,000 next year.”

370
371 Ald. Binash said, “I can appreciate wanting to do something for the city and the taxpayers. But
372 I'm not aware of the citizens of the City of Onalaska, with the city services that we provide,
373 asking that we not have these services – some of the ones that have been mentioned this evening.
374 If we have city citizens, en masse, saying, ‘We don't want these services,’ or, ‘We think you
375 need to do something about these services,’ then that's something for this Council to consider.

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376 But I have not been getting phone calls like that. I have not been addressed like that. The other
377 thing I wanted to mention is about the utility. Our accountant said if you want – I think it was
378 125 percent – you have to be at your reserves in your utility. If you want to stay at that and stay
379 within, I believe, the Public Service Commission and what is recommended, we're going to have
380 to increase the rates, whether it's through one option or another, it's going to have to be done.
381 I'm not sure about the figures that you presented. They may be accurate, but there would be an
382 increase. I'm not sure it would be that severe."

383

384 Ald. Every noted the city does not have the \$256,465 to spend because it was not levied. Ald.
385 Every also said the city did not need it, otherwise the \$256,465 would have been levied.

386

387 City Administrator Rindfleisch said the city does not start with the basis of levying the full
388 amount and collecting the most revenue. Rather, the city starts with the basis of examining its
389 expenses and seeing what revenue it needs to offset those expenses.

390

391 Ald. Every said he still contends the \$200,000 is not going to "make a big dent, at all." Ald.
392 Every next addressed Moody's, stating that if he had read the article about Green Bay correctly,
393 is still rated the same as its bond rating. Ald. Every pointed out the City of La Crosse's rating
394 still is the same even though it has reduced its surplus by approximately \$20 million. Ald. Every
395 referred to the Council's budget books and said, "The actual audit, they tell us that isn't the only
396 thing they look at. They look at several things. One of the biggest things they look at is your
397 ability to tax if you do get into trouble. Most places do like we do. Every responsible person
398 here would agree that we do need to have some kind of a surplus if you have an emergency.
399 That's just common sense that you have that at home. But when the checkbook runs out at
400 home, it's out. You can't get money from anywhere else. And you don't have \$8 million staring
401 you in the face. You do have to go out and borrow, perhaps. I don't know. But as far as the
402 utilities are concerned ... I understand what you're saying, and I understood that presentation,
403 and that's fine, except they're talking about 2020 and 2021. I'm talking about this year and next.
404 That's about all we're going to control. To look down the line is like looking into a glass ball.
405 You can't tell what's going to happen. I'm just saying for this year, a 4½-percent increase piled
406 on top of the increase in the utility rates, and all the other increases the taxpayers are going to
407 have, a third of our budget now comes from fines, forfeits, penalties, charges for service,
408 intergovernmental transfers, license and permits – fees. We're getting fee-d to death, and that's
409 kind of a nice little place to increase because people don't notice it so much on a \$16 water bill.
410 Maybe it goes up to \$17; big deal. They leave more than that on the bar-end tips. But it does
411 add up when you start adding everything together. Add 4½ percent on. Add [La Crosse]
412 County's levy, and whatever else is going to come along. That's all I'm saying. I don't see a
413 need for a 4½-percent increase, and I don't think we should do it."

414

415 Motion restated:

416

417 To take \$200,000 from the unassigned reserve and apply it to the tax levy.

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418

419 On roll call vote: Ald. Ron Gjertsen – aye, Ald. Jim Olson – nay, Ald. Kim Smith – nay, Ald.
420 Diane Wulf – nay, Ald. Jerry Every – aye, Ald. Jim Binash – nay. Motion failed, 4-2.

421

422 Mayor Chilsen said, “We’re either going to have to reconsider one side or the other.”

423

424 City Administrator Rindfleisch said the motion to reconsider is still open, noting there had been a
425 separate motion to utilize \$200,000 from the reserves and apply it to the tax levy. City

426 Administrator Rindfleisch said the Council still may discuss revenues.

427

428 Motion by Ald. Every, second by Ald. Gjertsen, to cancel any increase in the Water, Sewer, and
429 Storm Water fees that the City of Onalaska had anticipated levying.

430

431 Ald. Binash said, “It was explained to us by our accountant that if we slowly increment these
432 percentages into these utilities, it is better than hitting the public all at once with a 20- to 30-
433 percent increase. That was the whole idea behind it. And when you think about it, clean water,
434 sewer, the way that we take care of things here in the city, and we’re still, as you compare us to
435 other cities our size, our rates are still lower than others. All of us are going to pay that; it’s true.
436 And those of us on a fixed income are going to pay it. But it’s going to have to be done. You
437 can put it off for this year. But then in the coming years, in order to keep the funds that we need
438 in that account and to be at 125 percent of where we need to be, our Water and Sewer rates are
439 going to have to increase. If you don’t do it this year, the following year there’s going to be a
440 request for a bigger percentage.”

441

442 Ald. Gjertsen said, “One of the things that keeps getting overlooked is what it’s costing us to
443 grow. You’re talking about annexation. Those things are all fine. I’m all for growth, when it
444 makes sense. If somebody owns real estate and they want to develop it, I’m absolutely for it, up
445 to the point where the city should be involved. I think one of the problems we’re running into is
446 we’re not addressing the growth. There is more than one problem that this city has with growth.
447 We have a fire department that we have to expand; we all know it. If you’re going to annex real
448 estate and you’re going to develop it, it’s going to cost you money. Those fees on those new
449 pieces of real estate have to be reconsidered so we’re not making these discussions. We can
450 have these small, incremental things that we’re talking about. I’m for the small stuff. I’m for
451 trying to run things as efficiently as we possibly can. The clean water, it goes without saying.
452 That’s what we’re here for: getting rid of sewer water, storm water, trying to keep the place from
453 flooding. But if you follow the trail back – if you follow it to its headwater – you’re going to
454 find out the problem is growth. That’s where the bills are coming from, the projected bills are
455 coming from.

456

457 You want to talk about wells? We’re in pretty good shape. We have a really good team that
458 works on this stuff, and they plan down the road and we do give them the tools to work with.
459 The problem is we are not feeling these new developments properly. You’ve been in the meeting

460 where it was said. Otherwise we wouldn't have to sit here and discuss these small, little
461 incremental things that would be happening. But that's not what we're talking about tonight.
462 We're talking about significant increases. Is there a way of backing it up? No. This is what
463 we're dealt. You can make changes down the road; we're in a position to do that. You want to
464 keep annexing? Then let's develop a program to make sure that those annexed properties are
465 putting enough fee money in, up-front. We need to do the same with the Fire Department. It has
466 to be done. You talk about 10, 15 years down the line? I'm all about that. But I also know we
467 have to deal with what we have in front of us tonight. You make good points, but you also point
468 out some problems. These are things that I've been thinking about for a long time. You don't
469 want to do anything about it? We'll sit here."

470
471 Ald. Binash said, "What we did – and it's already been approved in the Capital Improvements –
472 some of the areas we're looking to annex are going to have some utility work done to them. Yes,
473 I'd appreciate that, but the city has to grow, just like a business. We want to increase our tax
474 base. If you don't increase your tax base, then I can foresee that we may have some problems
475 down the line. This is 3 percent. If you don't do it now, you're going to do it later. There's no
476 way around it."

477
478 Ald. Every said, "There is one way around it, and that is to spend less. You don't have to tax
479 more; you can spend less. Try that way out. Yes, when you do a development, there are some
480 things we're going to have to do. We have to do some things now for some developments taking
481 place, but you can spread that out over the years. And you can charge more to the developers for
482 doing that stuff. The way out of it is to spend less."

483
484 Ald. Olson noted he has served on the Council for 21 years, and he said, "I've always thought
485 this was a pretty good place to live and it was managed well, but I find out that you disagree with
486 me."

487
488 Ald. Every said, "Let's not go down that road. Let's talk facts."

489
490 Ald. Olson said, "This is probably one of the best-managed cities outside of Rochester,
491 Minnesota, and it has been for a long, long time. So I don't see where we have monumental
492 problems that I really should be concerned with. Our infrastructure is sound; we've managed
493 that. We've kept good balances that has kept our interest rate down. I guess I have a different
494 view than you do of this."

495
496 City Administrator Rindfleisch said, "The first question is the germaneness of the topic – the
497 motion on the topic to the ordinance, which is the tax levy."

498
499 Sean told City Administrator Rindfleisch he is correct.

500

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13

501 City Administrator Rindfleisch said, “I would say that the motion ... because the tax levy
502 question regarding all the various personnel does not have anything to do with the utility rates. I
503 would see this as a ...”

504
505 Ald. Every said the discussion pertains to revenue.

506
507 City Administrator Rindfleisch said the agenda item is the tax levy for various funds, and he also
508 said he believes the motion would be advisory to perhaps understand intent. City Administrator
509 Rindfleisch said if the motion passes, “since it doesn’t really impact the levy, it’s something that
510 ... as we move forward with the rates discussion, going forward, that the Council, if this passes,
511 has gone on record saying ... I think its potential can be discussed, but as part of perhaps in
512 exchange, the question about the levy involves not looking at raising rates later on. I think it
513 may be in connection to each other, but otherwise I don’t think it’s in context with the levy
514 ordinance itself. I think it’s half the question. There has to be another half of that question.”

515
516 Ald. Every told City Administrator Rindfleisch, “In all reality, the motion is going to fail. You
517 know that. So then you automatically move on.”

518
519 City Administrator Rindfleisch responded, “I don’t know that. I’m just trying to ...”

520
521 Ald. Every asked that the question be called.

522
523 Ald. Wulf asked that the motion be restated.

524
525 Cari restated the motion:

526
527 To cancel any increases in Water, Sewer, and Storm Water fees.

528
529 On roll call vote: Ald. Jerry Every – aye, Ald. Ron Gjertsen – aye, Ald. Jim Olson – nay, Ald.
530 Jim Binash – nay, Ald. Diane Wulf – nay, Ald. Kim Smith – nay. Motion failed, 4-2.

531
532 Mayor Chilsen said he will entertain a motion to reconsider.

533
534 Sean said he believes the motion to discuss is still open.

535
536 Mayor Chilsen asked Sean to clarify.

537
538 Sean said the motion is to reconsider, which was made for discussion purposes only. Sean noted
539 it remains open.

540
541 Ald. Smith requested that the Council take a brief recess.

542

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14

543 Mayor Chilsen said the Council will take a 10-minute recess.

544

545 Sean said the Council must vote to take a recess.

546

547 Motion by Ald. Smith, second by Ald. Wulf, for the Common Council to take a recess.

548

549 On voice vote, motion carried.

550

551 Mayor Chilsen said the Council will take a 10-minute recess.

552

553 The recording begins with Mayor Chilsen saying, "We know what we wouldn't agree to, but
554 what will we agree to? [Is there] a number from either side? We have two different issues here.
555 We have a utility and a levy. What kind of number are we looking at on the levy? We've seen
556 \$200,000, and that didn't work for some people. What will work for others?"

557

558 Ald. Binash noted he had spoken with City Administrator Rindfleisch and said he is not in favor
559 of reducing the city's surplus "at any great deal." Ald. Binash said he recalls \$50,000 being
560 taken out of the city's undesignated funds either in 2015 or 2016 and put toward its levy. Ald.
561 Binash said, "Once you start down that road, it gets really difficult to start putting that money
562 back. I'm reluctant to go into those funds, but if it would help get this levy taken care of, I
563 would make a motion that we take \$50,000 of undesignated funds and utilize that toward the
564 levy."

565

566 Motion by Ald. Binash, second by Ald. Wulf, to take \$50,000 out of unrestricted funds for the
567 levy.

568

569 Ald. Smith inquired about the impact on the mill rate.

570

571 Fred noted that when the alderpersons received their budgets there was a \$24.82 increase on a
572 \$100,000 home. Fred said the increase on a \$100,000 home decreased from \$24.82 to \$20.54
573 following the changes made at the October 30 Finance and Personnel II Committee meeting.

574

575 Ald. Binash said, "I'd just like to make sure that all of us would be somewhat in agreement with
576 that. If they're not all in agreement, if there is another discussion point, I think now would be the
577 time to bring it up so that we can reach an accord."

578

579 Ald. Every said, "There are two points, and that is not going to do it for me. I know that. An
580 increase of 4.19 percent, I think \$50,000 might bring it down 1 percent, if that. The other issue
581 was the utility fees. There are two separate issues. We can vote on this and we can do it
582 however you want to do it, but it's going to get back to exactly the point that we're at. We have
583 to pass the total budget somewhere down the line."

584

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15

585 Mayor Chilsen said, “I believe that, given this \$50,000, there was no reduction in utilities, so
586 utilities would stay the same.”

587

588 Ald. Every agreed and said, “That’s not acceptable – at least not for me.”

589

590 Mayor Chilsen said, “What I’m saying is – and correct me if I’m wrong, [Eric] – that means
591 there would be no increase in utilities the way that this motion is stated.”

592

593 City Administrator Rindfleisch said there would be no impact on utilities and noted it is strictly a
594 levy question.

595

596 Ald. Binash said he will withdraw his motion if there is no accord.

597

598 Motion and second withdrawn.

599

600 Motion by Ald. Every, second by Ald. Gjertsen, to recess the hearing regarding the 2019 City
601 Budget until 6 p.m. Tuesday, November 13.

602

603 Ald. Every said the Council has until December to settle the budget.

604

605 Fred said the city would need to make a decision regarding the budget either this evening or
606 Tuesday evening. Fred said the budget hearing cannot be moved to December because the city
607 would need to re-advertise the new public hearing date at a cost of approximately \$750.

608

609 Ald. Wulf asked the other alderpersons to vote ‘no’ on the motion to recess.

610

611 Ald. Smith said, “We’ve spent a lot of time and effort putting together a good budget that holds
612 the values of our community in high esteem. It’s important to us in the City of Onalaska to
613 maintain the quality of life and infrastructure that we have here in our community. There are
614 decades of Councilpeople who sat here before us, and despite some of their philosophical
615 differences they have been able to come to agreement on a budget.” Ald. Smith said the budget
616 has the support of Baird Public Finance and Hawkins Ash CPAs. Ald. Smith said she will
617 continue to support the plan, and she also asked her fellow alderpersons “to think about what is
618 best for the community, and to think about who they’re representing in their constituents.” Ald.
619 Smith stressed she has not received any negative feedback from her constituents regarding the
620 budget, but rather support for it as well as appreciation for the quality of services the city
621 continues to provide. Ald. Smith said, “I think instead of trying to perhaps personal agendas,
622 people represent their constituents.” The remainder of Ald. Smith’s statement was inaudible on
623 the recording.

624

625 Ald. Gjertsen stated as a point of order he believes Ald. Smith’s dialogue “is uncalled for.” Ald.
626 Gjertsen added, “That’s a good enough reason to go to recess, right there. I’ve heard nothing but

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16

627 civil [dialogue] over here working through the items we're working through. To me, that's a
628 lack of civility. I go way out of my way to stay civil. It's not hard for me."

629

630 Ald. Wulf asked, for clarification, if the motion is to adjourn or to recess.

631

632 Mayor Chilsen said the motion is to recess until 6 p.m. Tuesday.

633

634 Motion by Ald. Gjertsen, second by Ald. Olson, to call the question.

635

636 Mayor Chilsen called three times for those voting in favor of calling the question. As no one
637 responded, Mayor Chilsen said the question is not called.

638

639 Ald. Wulf said, "I would ask either Alder Gjertsen or Alder Every, what are they looking for –
640 not piece-by-piece-by-piece. You want this and then we vote, but then you want something else
641 and then we vote. What exactly are you looking for to move you from a 'no' vote to a 'yes' vote
642 this evening? It's a sincere, honest question that I'm asking."

643

644 Ald. Gjertsen said he is seeking to take \$200,000 out of the city's reserve and utilize it on the
645 levy. Ald. Gjertsen said he also wants no increases to the Water, Sewer, and Storm Water rates.

646 Ald. Gjertsen said, "I haven't changed my position. I've been saying this for a long time."

647

648 Ald. Wulf said she was merely asking, adding she did not know if Ald. Gjertsen and Ald. Every
649 were seeking anything else.

650

651 Ald. Every reiterated his wish to recess until 6 p.m. Tuesday and resume discussing the budget at
652 that time. Ald. Every noted there is a time scheduled to do so and said the alderpersons would
653 have the opportunity "to reconsider or redo or rehash. That's the only solution I can see unless
654 you're willing to do something else."

655

656 On roll call vote: Ald. Kim Smith – nay, Ald. Ron Gjertsen – aye, Ald. Diane Wulf – nay, Ald.
657 Jim Olson – nay, Ald. Jim Binash – aye, Ald. Jerry Every – aye. Motion tied, 3-3.

658

659 Mayor Chilsen said, "I understand we need to get this done. I would love to push it to tonight. I
660 believe that we should do it tonight, and I think that although we don't have a lot of momentum,
661 we have a little, and I don't want to lose that. Let's work on it a little longer tonight. We can
662 revisit this recess in a little while. I'm voting against the recess."

663

664 City Administrator Rindfleisch said, "The first thing regarding the water rates, quite frankly the
665 PSC [Public Service Commission] will order at some point an adjustment to that rate. The body
666 itself really can't, as part of a motion, say zero percent. It's not something that ultimately you
667 control with the water rates; the PSC will order that. When it comes to the sewer and storm
668 water, two-thirds of the rate increase actually was for getting us in a positive cash-flow position

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17

669 again to replace the cash spent rebuilding the assets that way. I think the question as to the
670 expansion of the services and paying for that, that's one-third of the total costs of those expenses.
671 My concern is, I know Baird didn't review a zero-percent increase. But based on the potential
672 debt issued, the rates proposed were to keep us from defaulting and not having enough of our
673 reserves on hand. ... That's a requirement within our bond covenants of our existing debt. My
674 concern is by putting a zero-percent increase out there we're actually breaking our current bond
675 covenants and causing a default. Do I know that for sure? No. But I would know that a zero-
676 percent increase does mean we're not issuing any new debt. My concern with that would be our
677 existing debt if we are breaking our bond covenant."

678
679 Fred noted that in early October the Common Council had made a motion to proceed with an
680 across-the-board, 3-percent increase. Fred noted that increase has been submitted to the PSC,
681 and the PSC has begun the process of implementing the increase. Fred said the Utilities
682 Committee had reviewed possibly changing the methodology within the Sewer Utility. Fred
683 said, "With the combination of those two items, if the Common Council [on Tuesday] approves
684 the Sewer [Utility] methodology change, those two would make a significant decrease in the
685 Sewer Utility. Instead of having a 35-percent increase, it would bring it all the way down to 24
686 percent, or maybe even slightly less. That's a big switch, and that is if the city intends to do all
687 these capital projects through the Board of Public Works it intends to do. You can't be
688 borrowing the dollars through Mortgage Revenue Bond issues if you don't have adequate
689 revenue ratio to cover it. It does no good to approve those capital projects and borrow the
690 money, but we don't have the money to pay ... Any potential vendors looking at the City of
691 Onalaska are going to look at it negatively, and then you are going to have high interest rates as a
692 result."

693
694 City Administrator Rindfleisch said he believes there likely is room to work within the fund
695 balance amounts present so that Baird will not be concerned, noting that \$50,000 was taken by
696 that method in 2015. City Administrator Rindfleisch reminded the Council it is implanting a
697 deficit budget – a negative in the eyes of the rating agencies. However, City Administrator
698 Rindfleisch also said he believes the Council can reach an agreement on a financial figure that is
699 less than \$200,000.

700
701 Ald. Binash stated he has always been in favor of the utility increase, and he referred to Fred's
702 comments that "it presents a bit of an issue" due to the projects that have been approved in the
703 Capital Improvements Budget. Ald. Binash said, "With the tax levy, I would like to see about
704 making a counterproposal to see if we can at least reach an agreement there. If we were to agree
705 to \$150,000 in the tax levy and remove it from the undesignated funds towards the tax levy ...
706 But I would like to know ... When you do things like that, you start going down a very dark
707 road. How long would take the city to recover funds once you take that large amount from your
708 undesignated funds? How long might it take to recoup that? And what kind of position does that
709 put the city in?"

710

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18

711 City Administrator Rindfleisch said the short answer is, “You never really do. It would take a
712 few years to replace that under the max amounts you can levy in future years. It may be a year
713 or two before you can recoup your potential, but that’s assuming you didn’t increase the levy a
714 small amount in those same two or three years. It’s a hole you never completely fill from an
715 opportunity cost standpoint.”

716
717 Fred said the city had taken \$50,000 in 2014, 2015, and 2016, and he told the Council that
718 Moody’s closely watches such actions. Fred said, “I’m very hesitant. The reason we stopped
719 doing that is when the economy [faltered] ... and the reference to the dollars to receive to recoup
720 some of the dollars by using some of our fund balance. I do feel that using \$150,000 is going to
721 put you down a dark road.”

722
723 Ald. Every said, “The 3 percent that we applied for, the way I understood that when we did it
724 was, we can apply for 3 percent now and we’ll get it with no problem. It’s if you apply for more
725 than 3 percent that they’re going to start looking into it.”

726
727 Fred told Ald. Every that is incorrect.

728
729 Ald. Every said, “The way we accomplish that is to spend less on utilities, which is what we’re
730 talking about: fewer projects. Back to your comment about how long it takes to recover that, I
731 looked at 2015, 2016, and 2017 – all I could pull off of our audits. In 2015, the year-ending fund
732 balance increased \$2,382,035. The unassigned surplus was \$6,959,935, or 54 percent. In 2016,
733 we closed with an increase of \$639,157 compared to 2015. The unassigned surplus rose to
734 \$7,384,782, or 55 percent. In 2017, our year-end increase was \$661,311, and the unassigned
735 surplus rose to \$7,800,168, or 90 percent of our General Fund expenditures. I don’t think it takes
736 that long to recover the way that it was outlined.” Ald. Every then asked Fred about the city
737 obtaining \$187,000 if it changes its billing structure.

738
739 Fred noted that it had been discussed at the Finance and Personnel Committee meeting, and he
740 said the Finance and Personnel Committee had requested that the item be included on the
741 November 13 Common Council meeting agenda. Fred said the Finance and Personnel
742 Committee had not taken action “because there are a couple of unanswered questions.”

743
744 Fred addressed Ald. Every and said, “What you are throwing out for figures is the entire City of
745 Onalaska. If we can focus on the General Fund ... When you start bringing in the entire city,
746 you’re bringing in ... We borrowed approximately \$5 million worth of capital projects a couple
747 of years ago. When you start bringing in these large ... When you’re looking at capital projects,
748 those are the figures that kind of skew what you’re stating. If you focus strictly on the General
749 Fund, you would see what the surpluses or deficits have been, and how the fund balance has
750 been ... When you start throwing leaps and bounds of figures, that sounds like it’s the General
751 Fund, and that is untrue.”

752

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19

753 Ald. Every said he is talking about the unassigned reserve.

754

755 Fred said, "That is the entire City of Onalaska."

756

757 Ald. Every said, "That's in the audit. You can look it up."

758

759 Fred replied, "I'm well aware of what it is."

760

761 Ald. Binash said if the city goes to a public safety referendum in 2019 to increase both the Police
762 Department and the Fire Department staffs, "I'm just concerned about taking funds now out of
763 our undesignated funds because we may be increasing, with the support of the citizens, our Fire
764 and Police Departments." Ald. Binash questioned whether \$150,000 would be appropriate and
765 said, "But down the line, what does it do when we want to increase staff in our Fire Department
766 and in our Police Department? And how would that affect the citizens in the long run? I
767 understand what you're attempting to do, and why you're doing it. I can appreciate that. But
768 again, I just want to be informed before I would commit to taking money out of our reserves. If
769 it appears that we can do this and not jeopardize the city in the future and the things we want to
770 do, I could support it. I just want to make sure it's the right decision."

771

772 Ald. Smith's comments were inaudible on the recording.

773

774 Ald. Every addressed Ald. Smith's comments, stating, "We're not talking about reducing
775 services. And as I mentioned, \$3 million of our budget comes from fees and permits and fines
776 and forfeitures and special assessments and so on. That's the current way to get your budget
777 pooped up. I highly suspect the next way is going to be infrastructure that we're going to have a
778 crisis on. We got through the road crisis. We got through the homeless crisis. We got through
779 the opioid crisis – I think. But now I think we're probably going to go to another one. What
780 you're saying is exactly right, and the reason it's right is the reason I've been using all year long
781 and ever since I've been here. We need to get the Council involved in planning these things. To
782 this point, we have not had any input in how much we're going to levy, what our budget is going
783 to be, what the raises are going to be – anything – until it was plopped on our desk. I've been
784 saying that and saying that, and nobody is listening. This Council needs to get involved with this
785 whole process, and we need to do it often. I think it's a good thing for you to consider in the
786 future because we're not doing it now, and that's why we're having these problems. Somebody
787 brings up something that another person doesn't agree with because maybe you don't quite fully
788 understand where they're coming from or whatever. But I think you would with more
789 communication and better planning on the part of the Council. We wouldn't be running into
790 these problems if we set the parameters here and not have them set for us and plopped down in
791 front of us and say you have to decide on this in a month, or else. I just think it's wrong."

792

793 Ald. Smith's comments were inaudible on the recording.

794

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20

795 Ald. Binash said he had discussed with City Administrator Rindfleisch what it would mean for
796 the Common Council to get together and stated there are pros and cons for it. Ald. Binash said,
797 “If that’s something we could consider for the next budget, I think that’s something to put on the
798 agenda. I thought this year everybody had their opportunity to say something. I’d asked
799 everybody to come prepared for the last budget. That’s why we’re here: to find some kind of
800 common ground so we can move forward for the city. If everybody is agreeable to that in the
801 form of a motion, then we can move forward. Or, is there something more you would like to
802 see?”

803

804 Ald. Every asked what the Council is voting on.

805

806 Ald. Smith’s comments were inaudible on the recording.

807

808 Motion by Ald. Smith, second by Ald. Gjertsen, to bring forward more involvement to the
809 Common Council to give City of Onalaska staff more direction in preparation of the City
810 Budget.

811

812 Ald. Binash said he would strike the word “permanent” and stated, “This would be something
813 that we would have an opportunity to discuss. If it appears to be a worthwhile endeavor, then we
814 can go it from year to year.”

815

816 Ald. Every said he doesn’t agree with it and stated, “The reason I don’t is I think that’s a little
817 narrow. I think the budget is just one piece of what we do. There are many, many more broader
818 things we want to get together and talk about. What is our view of the future of this city? Where
819 do we want to grow? What do we want to do? What is it going to take to provide that? That’s
820 just one thing. What do we want to do with the projects that are underway? How do we want to
821 complete those? What is your view about that? What do you see about it? There are so many
822 other things. It’s a broader notion that I had. I like the start of it this way. But my notion of it
823 was a lot broader than that. This Council needs to get involved in a lot of things that we’re not
824 involved in now – this being one of them. But that is a good start.”

825

826 Motion by Ald. Smith, second by Ald. Gjertsen, to amend the previous motion to state the
827 agenda item will be to discuss the strategic plan for the City of Onalaska.

828

829 City Administrator Rindfleisch noted the item still under discussion is the appropriations
830 ordinance, and he asked if the motion on the floor is part of the motion to approve the ordinance.
831 City Administrator Rindfleisch said he believes there must be a connection to the topic at hand,
832 meaning the ordinance.

833

834 Ald. Smith asked City Administrator Rindfleisch what the correct wording would be.

835

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21

836 City Administrator Rindfleisch said, "A motion to approve, but somehow the motion has to
837 consist of the action item, which is the ordinance."
838

839 Motion by Ald. Smith, second by Ald. Binash, to approve Ordinance No. 1622-2018 with the
840 understanding for the year 2019 there will be an action item under Finance concerning the
841 strategic plan for the City of Onalaska.
842

843 On voice vote, motion carried.
844

845 Sean told Mayor Chilsen he believes there should be a roll call vote on the motion because four
846 alderpersons voted 'aye,' Ald. Every voted 'nay,' and Ald. Gjertsen did not vote.
847

848 Ald. Every said the vote is on the change regarding how the Common Council is run, "which is
849 not germane in any fashion to what we're talking about now."
850

851 Ald. Smith's comments were inaudible on the recording.
852

853 Motion by Ald. Gjertsen, second by Ald. Every, to amend the previous motion and include taking
854 \$150,000 from the undesignated fund.
855

856 Ald. Smith's comments were inaudible on the recording.
857

858 Ald. Binash asked Fred, "How does this affect what business of the future if we were to do a
859 referendum? I guess I'm concerned that if we take that amount out, how does that do with our
860 expenditures and how that referendum will play out next year."
861

862 Fred said that while he cannot accurately predict that, and he stated, "When you put referendums
863 against the taxpayers, roughly 11,000 potential people have a chance to give their opinion."
864

865 Ald. Smith asked Fred how much was taken out of the undesignated fund balance in the previous
866 years.
867

868 Fred said \$50,000.
869

870 City Administrator Rindfleisch said, "None last year, and none the year before."
871

872 Ald. Smith asked, "How many so far in the 2019 budget? Without this change, how much did
873 we transfer?"
874

875 Fred said \$50,000 in the undesignated fund balance was utilized, and he explained that the city
876 had levied \$50,000 less that it could have borrowed. Fred said the request is to levy \$150,000
877 less.

878
879 Ald. Binash asked if this action will affect Moody's or the city's bond rating, or if it will change
880 how the city is viewed if it starts utilizing its surplus funds in this manner.
881
882 Fred said there is a discussion pertaining to the fund balance, and "they watch us closely. If you
883 use \$150,000 of your undesignated fund balance and you have a deficit on top of it, you're going
884 to be looked at negatively. I guarantee it."
885
886 Ald. Smith asked if State of Wisconsin aid also had been affected.
887
888 Fred said the city went down \$54,000 when it had experienced two years of negativity in the
889 levy.
890
891 Ald. Smith said, "That's what I'm against. I think it's very complicated."
892
893 City Administrator Rindfleisch reminded the Council the vote is to amend Ald. Smith's motion.
894
895 Mayor Chilsen asked Cari to read the amendment to Ald. Smith's motion.
896
897 Cari noted the amendment is to take \$150,000 out of the undesignated fund.
898
899 Vote on the amendment:
900
901 On roll call vote: Ald. Jim Olson – nay, Ald. Jim Binash – nay, Ald. Kim Smith – nay, Ald.
902 Diane Wulf – nay, Ald. Jerry Every – aye, Ald. Ron Gjertsen – aye. Motion failed, 4-2.
903
904 Mayor Chilsen asked Cari to read the motion.
905
906 Cari said the motion was to pass Ordinance No. 1622-2018, with the stipulation that there would
907 be an item placed on the agenda for the Finance Committee: "Strategic Plan for the City" starting
908 in 2019.
909
910 Motion by Ald. Smith, second by Ald. Wulf, to amend the previous motion and include using
911 \$75,000 from the undesignated fund balance to apply to the levy.
912
913 Vote on the amendment:
914
915 On voice vote, motion carried, 4-2 (Ald. Every, Ald. Gjertsen).
916
917 Mayor Chilsen asked Cari to read the amended motion.
918

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23

919 Cari said the amended motion is to pass Ordinance No. 1622-2018 with the stipulation that there
920 would be an item placed on the Finance Committee agenda monthly starting in 2019 for a
921 strategic plan for the city, and also with the amendment of \$75,000 being taken out of the
922 undesignated fund.

923

924 On roll call vote: Ald. Kim Smith – aye, Ald. Ron Gjertsen – nay, Ald. Jerry Every – nay, Ald.
925 Jim Olson – aye, Ald. Jim Binash – aye, Ald. Diane Wulf – aye. Motion fails, 4-2, as there is no
926 super majority.

927

928 Motion by Ald. Gjertsen, second by Ald. Every, to recess the Special Common Council meeting
929 until 6 p.m. Tuesday, November 13.

930

931 Ald. Wulf noted there is limited time for the Council to discuss the budget as the regular
932 Common Council meeting is scheduled to begin at 7 p.m. Ald. Wulf asked Sean if the Council
933 could recess until after the regularly scheduled Council meeting if the budget is not passed by 7
934 p.m.

935

936 Sean told Ald. Wulf the Council may recess the hearing again because it is not recessing based
937 upon what is on the agenda tonight. Sean said, “What was marked on the agenda tonight was
938 recessing the public hearing, so you would be recessing it to another date.”

939

940 Ald. Every noted there is note on the agenda stating the Council might recess until 6 p.m.
941 Tuesday, and he said he understands there is not much time between 6 p.m. and the start of the
942 regularly scheduled Council meeting at 7 p.m. Ald. Every said if he understands the recess
943 procedure correctly, the meeting must be recessed to a specific time.

944

945 Mayor Chilsen said, “They did – 6 o’clock [Tuesday].”

946

947 Ald. Every noted there was a discussion about possibly recessing again.

948

949 Mayor Chilsen said it is possible if the budget is not approved by 7 p.m.

950

951 Ald. Every asked if it is possible to do so in the same day.

952

953 Sean said, “You would not be able to because then it would not be a noticed meeting. You have
954 to notice the recess.”

955

956 Ald. Every said it was noticed on the Common Council agendas and stated the budget would
957 need to be settled in one hour.

958

959 Mayor Chilsen told Ald. Every he is correct.

960

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24

961 Sean noted the ordinance would be the only issue to be discussed at the 6 p.m. meeting.

962

963 City Administrator Rindfleisch noted the hearing itself is for the budget, which has been
964 approved at this point in time by a 4-2 vote. City Administrator Rindfleisch said the current
965 open question is the levy, which does not require the hearing. Therefore, the levy question will
966 be discussed when the Council reconvenes Tuesday after its recess. City Administrator
967 Rindfleisch said, "If there's any discussion to reconsider the budget portion of that, if there are
968 any offsetting cuts or anything else we'd like to make, that's what would have to be reposted for
969 the hearing again."

970

971 Sean said if there is no resolution by 6:56 p.m. Tuesday, the Council may not recess until 9 p.m.
972 because the recessed meeting must be noticed. Sean said, "You would need to recess it for at
973 least 24 hours."

974

975 On roll call vote: Ald. Jim Binash – aye, Ald. Jerry Every – aye, Ald. Ron Gjertsen – aye, Ald.
976 Jim Olson – aye, Ald. Kim Smith – nay, Ald. Diane Wulf – nay. Motion carried, 4-2.

977

978 The Council stands in recess until 6 p.m. Tuesday, November 13.

979

980 Mayor Chilsen reconvened the Common Council from its recess at 6 p.m. on Tuesday,
981 November 13.

982

983 To recap what had transpired Monday evening, Ald. Binash said there had been an impasse
984 while discussing the budget, noting that while the Council had reached an agreement on the
985 budget, negotiations regarding the appropriations still are ongoing. Ald. Binash said, "There
986 have been some figures put out there to see if we could reach an agreement on the undisclosed
987 funding, or the unrestricted reserve amount, towards the levy. We'd like to know if there's any
988 discussion regarding the amount that we could possibly take from the unrestricted reserve
989 account. There have been some recommendations of figures. Is there any further discussion
990 regarding what it is that may or may not suffice for the unrestricted reserve account?" Ald.
991 Binash addressed both Ald. Every and Ald. Gjertsen and said, "Since you were at \$200,000 –
992 that's what you wanted to have taken out – have you given any consideration to possibly any
993 other way of resolving that?"

994

995 Ald. Every said, "Quite frankly, no. I think we all know where we're at. We want to use [funds
996 from the unrestricted reserve account], for the reasons that we outlined [Monday] night of all the
997 surpluses that we have in all of these different places. I don't think it's a good time to charge the
998 taxpayers 4½ percent, plus all the increases in the utility fees that are added to it. That's where
999 we're at with the \$200,000, and the same with the utility fees. I did want to hear from Fred what
1000 he has found out about the Public Service [Commission] anything by changing the billing if we
1001 can increase our revenue in the Sewer Utility."

1002

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25

1003 As a point of order, Ald. Binash noted the topic to which Ald. Every had referred is on this
1004 evening's Common Council agenda and will be addressed later. Ald. Binash said he would like
1005 to first take care of the levy, and he then addressed Ald. Every and said, "We know that some of
1006 the figures that you used may not ... I don't want to say inaccurate, but they point to your
1007 position, whereas we can as otherwise put out maybe that's not quite accurate. But be that as
1008 that may, it would behoove us as a Council, because we cannot wait until December, to get this
1009 [budget] done. It has to be done today. We can't put it on our staff to try to get three to four
1010 weeks' work done in less than five business days. We can't do that. And we've already
1011 discussed the budget that has been prepared by our City Administrator – that's why we hired him
1012 – and our Finance Director. We've agreed on the budget. Now, the city is not in dire straits.
1013 There's nothing that's come up that has put us in a position where we have to use the unrestricted
1014 funds. And we've already discussed why it isn't a good idea to take the money out of there if
1015 you don't need to do it. But I think in the willingness of trying to get this done so we can get the
1016 tax rolls settled and get the tax bills out, I think it would be very important for the citizens of
1017 Onalaska, if we were to somewhat negotiate the tax levy amount that you would like to use. If
1018 you can do that, I think we can probably move on to the next part, which would be the utility
1019 part. Any thoughts, Jerry [or] Ron?"

1020
1021 Ald. Every said, "No, other than just to refute some of the things you said. But I don't want to
1022 go down that road tonight. I just rather would see if we can make some headway on this. ... All
1023 the facts and figures we quoted are facts and figures that were given to us. They're in your
1024 books. They're in your handouts. They're in your budget book. They're in the actual audit.
1025 Everything we quoted, there are copies to back that up. If there are different ones, obviously I
1026 can get two lawyers to give me two different opinions on anything I want. I can take two
1027 different comparisons or two different surveys and get a different result on each one if I want.
1028 But I don't want to go down that road. We all know where we're at with this. I think we had a
1029 pretty good airing-out [Monday] night, and I would say it went fairly well. I guess that's the way
1030 I would want to proceed if somebody there wants to make a proposal. But I think where we
1031 stand is hard and fast on our position. We could go through the reasons again."

1032
1033 Ald. Binash told Ald. Every he does not believe that will be necessary, and he said he believes
1034 one of the points that needs to be resolved this evening is the tax levy. Ald. Binash said the
1035 Council also may discuss the utility later this evening. Ald. Binash noted negotiations were
1036 presented Monday evening and said, "If there's any movement on your part to reach a common
1037 ground where we can ... If we are going to use the unrestricted funds, do you have a figure that
1038 we could, as a Council, discuss and see if we can resolve the tax levy part of it."

1039
1040 Ald. Every told Ald. Binash he had mentioned a figure Monday evening and then rescinded it.

1041
1042 Ald. Binash said he believes the figure was \$150,000.

1043
1044 Ald. Every said the figure Ald. Binash had mentioned was \$175,000.

1045

1046 Ald. Smith corrected Ald. Every and said the amount she had suggested was \$75,000.

1047

1048 Ald. Binash said, “It was \$75,000, then \$150,000, and then there was \$75,000. One-hundred
1049 fifty [thousand] didn’t go anywhere. Seventy-five [thousand] was another discussion point Kim
1050 brought up. But your figure of \$200,000, you just stayed right there. Is there any movement on
1051 the \$200,000 so that we can get the tax levy taken care of?”

1052

1053 Ald. Every said, “No, not with me.”

1054

1055 Ald. Binash asked Ald. Every, “Is there any particular reason you want to stay with \$200,000?
1056 The city is not in dire straits right now. There are no emergencies where we have to use this
1057 fund. That amount of money is not a significant change in any tax bill. In any negotiation there
1058 is always a give and take. Is there something that – perhaps split the difference or something –
1059 that we could ... If we’re going to use the unrestricted funds, we could just agree on the tax
1060 levy?”

1061

1062 Ald. Every said, “The unrestricted funds were part of it. But if you remember, I quoted last night
1063 about, it isn’t just that part of it. It isn’t just the effect on your taxes on your house. We’re
1064 talking about, on an average of a \$150,000 home – and the average in Onalaska is higher –
1065 you’re talking about \$37.23. If that same home has any special assessments or buys a fire permit
1066 or any kind of a permit, a special assessment for sidewalk or anything, I think I averaged it out
1067 that you can add another \$20.25 for permits, fines, fees and forfeitures, and extra charges. The
1068 Storm Water [Utility] increase would amount to \$13. The Sewer [Utility] would be \$25.76. The
1069 Storm Water Utility would now be \$20.22. All those add up to \$111, so it isn’t just that little
1070 increase on your taxes that you’re going to get. You add the 1.77 percent to [La Crosse] County
1071 is going to tax. I don’t know what WWTC [Western Technical College] is going to do. You’ve
1072 forecasted a 36-percent increase in the Sewer [Utility], a 19-percent increase in [the] Storm
1073 Water [Utility], and a 10-percent increase in [the] Water [Utility]. Those things all add up. It
1074 makes a bigger difference than just the levy. But that levy, to me, is a big part of it. The permits
1075 and the sewer and water and the utility charges, they’re infinite decimal, and that’s what makes
1076 them so dangerous. They sneak up on you. And that, quite frankly, is the way most
1077 municipalities are now getting their increases in budget – in those types of funds. That part of
1078 the budget, as I showed you the chart in our budget book, makes up a full third – \$3 million – of
1079 our budget. It’s just this type of incidental things that I quoted. I guess that’s why I real adamant
1080 about it. I’m thinking it takes a combination of two.

1081

1082 The reason for the \$200,000 is that I think the increase in the budget is about \$389,000 –
1083 somewhere in that vicinity. At least 60 to 70 percent of that is fixed – salaries, wages, benefits –
1084 and probably more. I think it’s 68 percent in the budget book, but I suspect it’s higher. I don’t
1085 want to touch that. So what’s left, then, is the other percentage. To me, that \$200,000 would

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1086 take the levy down to something more manageable, or perhaps zero. That's my reasoning, and I
1087 know you all heard it [Monday] night."

1088

1089 Ald. Binash told Ald. Every, "I can appreciate that. But then again, too, if you do it this year,
1090 and you continually do it year after year, you start losing your unrestricted funds and you start to
1091 get into other situations that you really don't want to be in where you're running out of your
1092 reserves. It's the reserves that keep us at the rate we can get now. As a matter of fact, we're
1093 probably more of a standard of what you should actually look for in how a city operates itself
1094 rather than a city that's in distress, which we are not. Those issues that you brought up, Jerry,
1095 are probably something we could discuss next year when we get into the budget. That's not
1096 something that I think we can really resolve this evening. Right now, we have to get the city
1097 moving forward with the appropriations."

1098

1099 Ald. Smith said, "What I'm observing is that we have four people with one way of viewing the
1100 situation, and two people with a different way of viewing the situation. I don't think continued
1101 dialogue is going to change anybody's mind about how they view the topic. I know it's not
1102 going to change mine. So rather than try to convince each other to see the other's viewpoint, I
1103 think that we need to find a common ground and we need to negotiate a compromise. But if one
1104 side is not willing to change, then it's very difficult to find a compromise. I would just like to
1105 ask Jerry and Ron to reconsider their position of the \$200,000 and shoot for something in the
1106 middle. We can agree to disagree, but we can make a compromise and we can move on because
1107 it's very important for the health of our community that we pass a budget."

1108

1109 Ald. Every said, "That goes both ways. I said to Ron tonight when I sat down this conversation
1110 can go two ways. We can be asked to make a proposal or if we have changed our minds, which
1111 we weren't. But I haven't heard anybody ask you whether you can change your mind. What you
1112 said, yes, that goes two ways. It works over there, too, as well as here. Now, here's the fact
1113 about the fund balance. I know there are people here who weren't here [Monday] night. But the
1114 fact of the matter is our fund balance has gone up the last three years – significantly – and not by
1115 little bits. The fund balance has gone up. And two of those years you did take money out of the
1116 unassigned account. It didn't have that disastrous effect I heard about [Monday] night that it's
1117 going to take 200,000 years to make up that \$200,000. The facts are here in our own budget
1118 books that that is not true. And I'm saying coming down the line we also talked about the future,
1119 that we never had any input into this budget whatsoever until the day it appeared on our table,
1120 [which was] October 2. We didn't have any input to give to Eric about what kind of percentages
1121 we want, what kind of increases or decreases or whatever. This was the first time. This rush to
1122 get it done is not going to work. That also was something we anticipated might come. We're
1123 not the ones who are hindering this, so that works both ways. If you have something to offer,
1124 make an offer."

1125

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1126 Mayor Chilsen said, “Let me just make it clear that the budget that is delivered to you is the
1127 Executive Budget that is made by the executive that we have. It then becomes your budget, and
1128 your changes are to be made. That’s why that is done that way. That’s the procedure.”

1129
1130 Ald. Wulf said, “I think when you have a 4-2 split, I personally find it’s a lot easier to have one
1131 of the two to move versus three of the four to move. It’s just my personal observation. I also
1132 remember many years ago there was an alderperson who represented First District and there was
1133 an issue with the budget. I was not on the Council at the time, but the compromise that was
1134 made – and Fred, correct me if I’m wrong – but I believe the compromise that he accepted was,
1135 if there was at that time an Efficiency Committee that was formed, he then would give his
1136 blessing and give a ‘yes’ vote. Then you had your five votes and the budget was passed. I
1137 personally believe the motion that Alder Smith gave last evening proposing that the Council be
1138 involved earlier on in the process – have meetings, talk about the vision and the budget with our
1139 City Administrator – I thought that was a very fair compromise and something that I would
1140 certainly be willing to put on the table again. But I know that is what resolved it many years
1141 ago.”

1142
1143 Ald. Smith said, “The Executive Budget was given to the Councilmembers in the beginning of
1144 October. We then had about three weeks to review the material, ask questions, determine if there
1145 were any changes that we wanted to see in the budget. It was on October 30 that we gathered to
1146 discuss the budget, and that’s the opportunity where the Council has to propose changes. We’re
1147 not starting from scratch. We’re starting from a budget that has been proposed by a professional
1148 executive member of our staff, and I think that we had good dialogue there and we did make
1149 some changes, so I don’t feel there’s any rush. The only rush is that that time has passed, and
1150 now we’re here to make a decision. I think we did offer a compromise. You had suggested
1151 \$200,000 from the beginning. Then, when I made my proposal [Monday] night, I suggested
1152 \$75,000, which is very close to the middle if we’re going to split the difference. I think to say
1153 that we’re not trying to reach you and compromise is unfair, because I think we are. But if
1154 you’re going to just sit there with your one number and not have dialogue with us to figure out
1155 what we can do to come to a compromise, it makes it nearly impossible.”

1156
1157 Ald. Every said, “Make an offer. Say something.”

1158
1159 Ald. Smith said, “I made one [Monday] night and it was turned down.”

1160
1161 Motion by Ald. Binash, second by Ald. Olson, to approve Ordinance No. 1622-2018, with an
1162 amendment to use \$100,000 from the unrestricted reserve account of the City of Onalaska to
1163 reduce the 2019 General Fund levy.

1164
1165 Motion by Ald. Every, second by Ald. Gjertsen, to amend the previous motion and use \$175,000
1166 from the unrestricted reserve account of the City of Onalaska to reduce the 2019 General Fund
1167 levy.

1168
1169 Ald. Every said, "That's a compromise. Are you willing to compromise on the other part, the
1170 utility piece as well? Or is it just one part and then not that?"
1171
1172 Ald. Smith asked Ald. Every if he is asking her or Sean.
1173
1174 Ald. Every told Ald. Smith, "I'm asking you. You gave the compromise talk."
1175
1176 Ald. Binash inquired about making a friendly amendment.
1177
1178 Mayor Chilsen noted an amendment is currently on the floor.
1179
1180 Sean said, "You would be amending the amendment."
1181
1182 Ald. Binash said he will withdraw his amendment and restate the motion "and we can try it
1183 again."
1184
1185 City Administrator Rindfleisch reminded Ald. Binash the amendment already is on the floor, and
1186 he noted that Ald. Every's amendment amends the original motion. City Administrator
1187 Rindfleisch said Ald. Every and Ald. Gjertsen would have to pull their amendment, or Ald.
1188 Binash may amend the amendment Ald. Every and Ald. Gjertsen have offered.
1189
1190 Ald. Smith suggested that perhaps the Council could vote down the amendment and another
1191 alderperson could make a second amendment. Ald. Smith said doing so would make everything
1192 clearer.
1193
1194 Vote on the amendment:
1195
1196 On roll call vote: Ald. Jim Binash – nay, Ald. Jerry Every – aye, Ald. Ron Gjertsen – aye, Ald.
1197 Jim Olson – nay, Ald. Kim Smith – nay, Ald. Diane Wulf – nay. Amendment fails, 4-2.
1198
1199 City Administrator Rindfleisch reminded the Council the original motion is now on the floor.
1200
1201 Motion and second withdrawn.
1202
1203 Motion by Ald. Binash, second by Ald. Gjertsen, to approve Ordinance No. 1622-2018 with an
1204 amendment to use \$150,000 from the unrestricted reserve account of the City of Onalaska to
1205 reduce the 2019 General Fund levy, and also to set City of Onalaska utility rates in 2019 at an
1206 amount not to exceed the minimum rates required to satisfy all required ratios, covenants, and
1207 other conditions of the city's bond and other debt obligation documents, including having
1208 minimum amounts of reserves required in order to avoid defaulting on the debt.
1209

1210 Ald. Every asked Ald. Binash to repeat the last part of the motion.

1211

1212 Ald. Binash said, “And to set City of Onalaska utility rates in 2019 at an amount not to exceed
1213 the minimum rates required to satisfy all required ratios, covenants, and other conditions of the
1214 city’s bond and other debt obligation documents, including having minimum amounts of reserves
1215 required in order to avoid defaulting on the debt.”

1216

1217 Ald. Every said, “That would be acceptable to me, except that in 2020 we know the sewer rate is
1218 coming up, and we know we’re going to have to make an adjustment there. That was part of this
1219 phasing in of these increases to pay for that. We increased the sewer rate last year. It is
1220 acceptable. I’m just saying that we did increase a lot of these utility rates last year, and that
1221 would be doing it to some of them again this year.”

1222

1223 Ald. Smith asked Sean if it is appropriate for the motion to have the verbiage concerning the rate
1224 increase under this ordinance.

1225

1226 Sean said it is under the motion on the floor and stated, “You’re having a motion by which that is
1227 how the Council expresses agreements they’ve reached or gives directions to third parties. So it
1228 would be appropriate in this motion.”

1229

1230 Ald. Smith said, “I would be able to agree to this motion if the unrestricted fund balance was
1231 reduced to \$100,000. I would agree to this, but not as it is stated.”

1232

1233 Ald. Wulf said she agrees with Ald. Smith in that she cannot agree to \$150,000, but rather
1234 \$100,000. Ald. Wulf added she agrees with Ald. Binash’s amendment.

1235

1236 Ald. Every asked, “The \$100,000 is splitting the difference, right?”

1237

1238 Ald. Smith said, “Exactly.”

1239

1240 Ald. Every asked, “Are you going to split the difference on the utilities?”

1241

1242 As a point of order, Ald. Binash asked that the Council vote on the motion.

1243

1244 On roll call vote: Ald. Ron Gjertsen – aye, Ald. Jim Olson – nay, Ald. Kim Smith – nay, Ald.
1245 Diane Wulf – nay, Ald. Jerry Every – aye, Ald. Jim Binash – aye. Motion failed, 3-3.

1246

1247 City Administrator Rindfleisch noted the ordinance must be passed by a super majority of the
1248 Council, meaning five alderpersons. City Administrator Rindfleisch noted Mayor Chilsen may
1249 not cast a tiebreaking vote in this case.

1250

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1251 Ald. Smith responded to Ald. Every's question prior to the vote, stating it is her understanding
1252 that Ald. Binash had said the city would only increase the rate by the amount that it is legally
1253 obligated to increase it. Ald. Smith said, "Looking at the Enterprise Fund, even though there is a
1254 lot of money in that fund we have a lot of expenses and we have bond issues out. We have to
1255 make sure that we're adequately funding, having the money coming in, to make sure that we can
1256 keep making the payments and doing all the things we have to do to keep the water running in
1257 the city. That was the way I was understanding his words, so instead of what we had talked
1258 about, what was actually recommended to us both by the city accountant and by Baird is that we
1259 increase ... There is a certain amount we have to increase it, but we increase it just a little bit
1260 more so that we could build up a little more equity. Then the following year, in 2020, as Jerry
1261 mentioned, we have a lot of that we know is coming – some things unknown that are going to be
1262 expensive – and we will be looking at another increase. That way, it will be a more gradual
1263 progression rather than a great big one. But if that's what it takes to have an agreement, I'm
1264 willing to agree to the wording that Jim had unless someone explains to me that I misunderstood
1265 it."

1266
1267 Ald. Gjertsen said, "The amount of the increase, if we vote on that and we agree on that, we're
1268 not going to know what it is, or those are the numbers we were presented with? That would be
1269 the question I would have. Also, when the Public Service [Commission] sets the rates, they've
1270 done that since the beginning of time, and those are somewhat predictable what they're going to
1271 do. The things that aren't predictable, we've discussed many times. Nobody has a crystal ball.
1272 Some of the things that we can guarantee are going to happen is, if the City of Onalaska chooses
1273 to annex and grow, those expenses are going to continue to occur and grow. Where does the
1274 obligation lie? Does it lie with the water consumer? Or does it lie with the developer and the
1275 residents who are building?"

1276
1277 Ald. Every said, "Yes, it's based on expenses. And that's assuming you're going to be allowed
1278 to expend more money – maybe we won't. What she did here was project out to 2020 what we
1279 would need compared to what we wanted to do. In fact, the year ending 2018 according to the
1280 estimates I've been given – and you all, too, I assume – the Sewer Department is going to end up
1281 with an ending cash balance at the end of the year of \$2,906,235. The Water Utility is going to
1282 end up with a cash balance at the end of 2018 of \$1,014,161. This year prior, you were asking
1283 for 36 percent. This one, you're asking for an additional 10 percent. The Storm Water [Utility]
1284 cash flow ending 2018 is going to be \$534,521. But the fact is, yes, it is based on anticipated
1285 expenses. And the only expenses I can think of are the sewer that we know we're going to have
1286 to renegotiate with the City [of La Crosse]. But the rate we have is good – they've sent us a
1287 letter promising that – through the end of 2019. It gives you another year to adjust your
1288 expenses or your income. Yes, it is based on expenses, but that's what we're saying."

1289
1290 City Administrator Rindfleisch said staff had obtained information earlier Tuesday regarding
1291 development fees and some restrictions placed on the state. City Administrator Rindfleisch said
1292 his interpretation of the language presented by Ald. Binash is not to have any rate increase that

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32

1293 would generate a reserve. City Administrator Rindfleisch said, “The concern I have is having a
1294 zero-rate increase – especially in the Sewer [Utility], where we had some earlier numbers of two-
1295 thirds of 3 percent – but two-thirds of that would be just to keep us at a required ratio for our
1296 bond covenants. If we don’t increase that rate, we would be looking at default, which would put
1297 us from a really good, sound fiscal position immediately to a very poor fiscal position. The
1298 language, as I interpreted it, is if there are any adjustments that have to be made to keep us at that
1299 minimum, that’s the minimum rate and not to generate any form of reserve using the utility rates.
1300 I think as an administrator I am comfortable with that language. It allows us not to default;
1301 obviously that’s the key thing there. But it also ensures we’re not inappropriately using those
1302 rates to put money in the bank.”

1303
1304 Jarrod told the Council that earlier Tuesday he had reviewed an article regarding impact fees and
1305 recent legislation that has affected impact fees. Jarrod said they are becoming more difficult
1306 with recent legislation. Jarrod noted he had discussed impact fees with the City Attorney’s
1307 office, and he said, “We are going to be moving forward in the next year with reworking some of
1308 the impact fees such as the Park Fee that is administered through the Parks Department. But the
1309 more we looked into obtaining costs for consultants to set up impact fees, the more we found out
1310 that the impact fees, through the recent state legislation, is getting very difficult to enforce. You
1311 cannot use it for any operational or maintenance costs. You must have specific projects. The
1312 monies must be used within a certain designated amount of time, and it’s just really difficult.
1313 What we are looking at on some of the Capital Improvements Projects that are for future
1314 development such as the Crestwood/French Road/French Valley booster station, we are looking
1315 at an assessment district to obtain those costs for that booster station. We also are looking at
1316 assessments for improvements such as water and sanitary sewer along those streets where we are
1317 extending city services up to those future developments such as Abbey Road and Crestwood
1318 Lane. The projects that are going to be new in nature, we will be trying to recoup funds for our
1319 various utilities through those methods. But the city utility will have to front those costs through
1320 the bonding process to be able to make those payments until such time those areas develop. As
1321 you know with the French Road/Crestwood area, we have 304 acres of developable land. There
1322 is a development that is proposed for 23 acres, so it’s a small portion of that and it will take
1323 many years for the development to infill that area.”

1324
1325 Motion by Ald. Binash, second by Ald. Olson, to approve Ordinance No. 1622-2018 – to adopt
1326 the appropriation budget for 2019, with an amendment to use \$130,000 from the unrestricted
1327 reserve account of the City of Onalaska to reduce the 2019 General Fund levy, and to set City of
1328 Onalaska utility rates in 2019 at an amount not to exceed the minimum rates required to satisfy
1329 all required ratios, covenants, and other conditions of the city’s bond and other debt obligation
1330 documents, including having a minimum amount of reserve required in order to avoid defaulting
1331 on the debt.

1332
1333 Ald. Binash said, “I would implore the members of this Council to think seriously about
1334 resolving this issue. We’ve made proposals and counterproposals. We can’t keep doing this all

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33

1335 night long. We know we are going to use the unrestricted funds. We're going to have to in order
1336 to resolve this. We can't wait any longer on this. We can't put the staff in the position where
1337 they're going to have to do a bunch of work in just a few days. There has been some give and
1338 take on both sides. I think this is an adequate proposal. It's not something I want to see us do
1339 with using unrestricted funds. But in order to get this resolved for the city's benefit, I think we
1340 should look at resolving this issue right now and move on. Then we're done with the City
1341 Budget and the appropriations."

1342

1343 Ald. Smith said, "Although I am opposed to this motion ... The maximum figure that I feel is
1344 viable of use of the unrestricted funds is \$100,000. It's a hard number for me. But in the spirit
1345 of compromise I will be willing to vote 'yes' to this motion. But I will not agree to anything
1346 higher if further motions ensue."

1347

1348 On roll call vote: Ald. Jerry Every – nay, Ald. Ron Gjertsen – nay, Ald. Jim Olson – aye, Ald.
1349 Jim Binash – aye, Ald. Diane Wulf – nay, Ald. Kim Smith – aye. Motion fails, 3-3.

1350

1351 Motion by Ald. Every, second by Ald. Gjertsen, to approve to approve Ordinance No. 1622-2018
1352 – to adopt the appropriation budget for 2019, with an amendment to use \$150,000 from the
1353 unrestricted reserve account of the City of Onalaska to reduce the 2019 General Fund levy.

1354

1355 Sean asked Ald. Every if his motion is to pass the ordinance using \$150,000 from the reserve to
1356 reduce the levy.

1357

1358 Ald. Every said, "Provided the ordinance doesn't carry anything else in it regarding the utilities."

1359

1360 Fred said, "It appears to me, just from my own personal thought and years of service working
1361 here, you're looking at a difference between \$130,000 and \$150,000 – \$20,000 – and I can tell
1362 you it's a small, little pot when it comes to the size of this budget. The General Fund budget is
1363 \$9 million. I ask that you consider the \$150,000 for the sake of the staff. We have to move on.
1364 It's something that I think we have to come to a conclusion. I'm getting very nervous as we
1365 continue to get closer and closer to the tax season."

1366

1367 Fred noted the Council had suspended the rules Monday evening, and he asked if that still holds
1368 this evening.

1369

1370 Sean said the rules remain suspended. Sean said that if the Council votes on the ordinance, it is
1371 his understanding that the Council probably should see the ordinance on which it is voting. Sean
1372 also said Fred needs to have a copy of Ordinance No. 1622-2018 stating the financial figures if
1373 \$150,000 is being utilized.

1374

1375 Fred said he has a copy of the ordinance.

1376

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34

1377 Sean reiterated he believes Council members should have a copy of the ordinance in front of
1378 them before they vote on it.

1379

1380 Fred said he will not provide copies of the ordinance to the Council if there are not five votes to
1381 approve it.

1382

1383 Ald. Smith said she will consider the \$150,000 if Fred provides the Council with a copy of the
1384 ordinance. Ald. Smith also asked Cari to restate the motion as she understands it.

1385

1386 Cari said the motion, as clarified, is to approve Ordinance No. 1622-2018 using \$150,000 from
1387 the unrestricted funds. Cari also noted the ordinance excludes the utilities.

1388

1389 Ald. Smith asked if the Council may take a break while Fred makes copies of the ordinance.

1390

1391 Ald. Wulf requested a three-minute recess.

1392

1393 Mayor Chilsen recessed the Council for three minutes.

1394

1395 Mayor Chilsen noted the Council has come out of recess.

1396

1397 Fred referred the Council to the final page of Ordinance No. 1622-2018 and noted he had
1398 deducted \$150,000 from the property tax levy on the General Fund. Doing so brings the General
1399 Fund to \$5,921,779. Fred explained that when the General Fund is modified, he also must
1400 modify the Gundersen Parking Ramp, which decreased by \$4,415. Fred said \$11,040,441 is the
1401 levy amount, and the mill rate is 0.0060492. Fred reminded the Council the first budget showed
1402 the rate on a \$100,000 home would be approximately \$24. This amount has been reduced to
1403 \$12.08.

1404

1405 On roll call vote: Ald. Kim Smith – aye, Ald. Ron Gjertsen – aye, Ald. Diane Wulf – aye, Ald.
1406 Jim Olson – aye, Ald. Jim Binash – aye, Ald. Jerry Every – aye. Motion carried, 6-0.

1407

1408 **Adjournment**

1409

1410 Motion by Ald. Smith, second by Ald. Gjertsen, to adjourn at 6:54 p.m.

1411

1412 On voice vote, motion carried.

1413

1414

1415 Recorded by:

1416

1417 Kirk Bey