



**CITY OF DELAFIELD
SPECIAL MEETING MINUTES
COMMON COUNCIL**

Mayor: Kent Attwell
Council President: Alderperson Tim Aicher
Alderspersons: Wayne Dehn, Matt Grimmer, Danielle Henry, Paul Price, Mark Schaefer, Jackie Valde

January 3, 2023

5:00 PM

City Hall, Council Chambers
500 Genesee St.

**Special Meeting
DRAFT**

1. Call to Order

Mayor Attwell called the meeting to order at 5:00 PM.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

3. Roll Call

Alderspersons Present: Danielle Henry, Ald. D1
Mark Schaefer, Ald. D2
Jackie Valde, Ald. D3
Wayne Dehn, Ald. D4
Matt Grimmer, Ald. D5
Tim Aicher, Ald. D7

Alderspersons Absent: Paul Price, Ald. D6

Also Present: Kent Attwell, Mayor
Tom Hafner, City Administrator/Director of Public Works
Kathy Sawyer-Gutenkunst, City Attorney

4. City of Delafield Citizen Comments

Hearing no one who wished to speak, Citizen's Comments were closed.

5. Discussion and possible action regarding Lake Country Fire & Rescue funding, fire fee development, and possible referendum wording.

Attwell noted the attendees were all present with same common goal which is to support LCFR with funding that is reasonable for the City of Delafield citizens.

Hafner explained that Town of Delafield will be moving forward with a referendum in April and the Common Council had previously indicated they would like to discuss the same if the Town of Delafield ended up going that route. Two resolutions were provided for review. There would be two separate fees for both resolutions, one for fire service and one for ambulance service. The difference between the two resolutions is that one would require the City to take its negative adjustment to the levy limit calculation, which would create about \$400,000 of levy limit capacity. The other option includes the wording to approve that the City does not have to take any negative levy limit adjustment would create about \$1 million of levy capacity. The second choice would be a more significant cost to the residents. The goal for the evening is to determine the fee and the resulting impact to the levy and the cost for the referendum.

The feedback provided by some elected officials had been to include a number for the referendum that would preserve the services approved in the 2023 budget and continue that level of funding for 2024. This would include operating, capital, and fund balance contributions. There would be a 5% inflation factor. The Fire Chief had indicated that if the additional seven employees were not funded in 2024, the services would be significantly reduced, including significant revenue loss that would essentially offset the cost savings. If the loss of revenue were backed out, this option would result in a per emergency unit fee of \$497.00 for 2024. Single family homes would be one emergency unit. Multi family would be half an emergency unit per dwelling, and commercial is proposed to be based on square footage. This is a work in progress. If the City were to support the full budget as proposed by the fire Board, the fee would be \$531.

The Fire Chief had brought up a different proposal where the fire department would eliminate the intern program to reduce the budget by \$180,000 which would further reduce the fee to \$511.

Aicher asked if the \$497 amount were used, how would that effect the capital funding. Hafner explained this would still have to be funded but is yet to be determined. It would be beneficial to start to take steps towards recouping the capital funds that were spent on operating costs moving forward.

Aicher asked if by moving to the fee, the Fire departments costs would be removed from the levy in full or in part. Hafner explained this is taking all of the operations off of the tax levy, but capital remains in the City capital projects portion of the budget.

Grimmer asked about how long the extra levy capacity created in the levy remains. Hafner explained that the capacity remains as long as the levy amount is used. Anything not levied for is lost. Every year, anything not used gets lost towards the next year's levy.

Henry asked for clarification regarding whether this a universal fee across all LCFR municipalities. Hafner clarified this amount is based on the current inter-municipal agreement which has the City of Delafield paying more than their fair share.

Henry noted id the fee was just for 2024. Hafner clarified the approval for the referendum is only for 2024 but moving forward the fee would be adjusted as approved by the Common Council.

Attwell asked what the number would be if it was less the loss of revenue for inter-municipal transfers. This number was not available.

Henry asked what the final fee would be if they were to move forward with all of the final changes. Hafner for not have the exact number but recalled around \$1000. Henry did not like the idea of going to referendum for a \$497 fee, and then the fee increasing up to \$1000. She would like to see a cap on the language.

Grimmer asked if the language broke out the fee per unit. Hafner clarified that the referendum would be based on emergency equivalent unit, and this would be clarified in public education.

Discussion occurred regarding not to exceed language and ways to possibly limit the amount.

Dehn asked about what the \$531 amount would fund. Hafner explained this would fund all requested budgetary items for 2024. Dehn suggested going for \$531 for referendum. Hafner explained that the seven additional hires are funded by the full amount, and offsets much of the revenue loss the \$497 dollars would be funding.

Schaefer asked about the funding formulas. Hafner clarified the formulas.

Schaefer asked about how vacant lots or homes with two dwellings would be treated. To clarify, two dwellings would be where there is a primary residence and a secondary cottage or similar. Hafner explained that these are only in for one unit and agricultural land and vacant lots are not currently being considered to be required to pay a fee. Aicher asked about tax exempt properties such as churches. Hafner noted that these properties would be required to pay a fee that they currently are not required to pay. Grimmer asked for a rough estimate. Fennig provided an estimate, which would be about \$5,000. Hafner is still working on this amount in order to better match what commercial properties are currently paying in fire fees. Discussion ensued regarding the possible charges for these properties and possible adjustments to the rate per unit.

Henry asked if there was a number that had been determined that would have been the City of Delafield fee if a universal fee has been accepted. Hafner thought it was around \$300 or so. Fennig added it started at \$363 and topped out at \$507.

Henry asked if the number in the referendum would be the amount that the City would be required to be charged. Attwell noted that this is not necessary unless they need it. Hafner noted the "not to exceed" language should be added to the referendum if that is the Common Council intention.

Henry explained that the universal rooftop fee was more palatable to approve without referendum, but would prefer to see the bigger number on the ballot to be transparent. Hafner has thought there would numbers on the ballot for each year. Fennig clarified the LCFR Board approved 2026 plan would be \$704.49 per unit. IF the commercial properties were adjusted, the expectation would be that it would be under \$700. Hafner suggested ballpark amounts of under \$500 for 2024, \$600 for 2025, and \$700 2026.

Henry asked if the total number or fee only would appear on the ballot. Hafner suggested only including the fee to make it easier to understand how each property owner is affected.

Attwell is concerned about the whole number and what would happen if it doesn't pass. There would be no ability for the Common Council to spend over the levy limit. The Common Council could be put in a position where they would be forced to approve a fee despite the failure of the referendum. Hafner explained that if the referendum fails and Common Council holds to that decision, then LCFR would not be able to fund the employees that it intends to hire in 2023. Attwell added that the LCFR would also have no capital budget.

Henry is having a difficult time with the City of Delafield residents paying over their fair share because a universal fee is not being considered. The excess difference of \$200 between the universal fee and the City of Delafield fee based on the funding formula should be left up to voters. Discussion occurred regarding only asking for the difference. Aicher noted if this were to be presented in a way that points out the disproportion, then the City of Delafield is essentially locked in to that

disproportionate amount, where as a broader number would leave more room for possible negotiation by the Common Council on behalf of the residents.

Aicher asked if the fire fee limits funding to exclusively what the is collected by the fee. Hafner noted it is not limited. Aicher pointed out that the levy amount that is freed up by moving to a fire fee could be a funding source in the future to possibly reduce the higher fee amount.

Aicher preferred the annual adjustment to be up to the discretion of the Common Council and is in favor of the language.

Valde has received support from constituents for around \$500, and that the expectation is the costs will increase, but would like to see this pointed out in the referendum language so there is an expectation that costs will increase as necessary. The jump from \$500 to \$700 isn't a huge increase over the course of 3 years.

Price pointed out that there is flexibility to increase or reduce as necessary in this plan.

Attwell supported the step-by-step approach because it allows for flexibility based on economic and legislative changes as necessary. Referendums should be utilized when the levy limit is exceeded and should be presented thoughtfully and comprehensively.

Henry reiterated that the inequality of the funding is a sticking point and supports moving forward with a plan that allows for negotiations towards a more fair dispersion of budget. Hafner explained there are two options that might make this happen. One is to fund the fire department less than the other communities want to or approve a significant increase without referendum. Grimmer pointed out that the latter option was not supported.

Grimmer agreed that it makes sense that all homes should be contributing equally. However, Grimmer noted that the City does have a larger volume of calls and population and this was factored into the IMA. Discussion ensued regarding consideration of the universal fee. Schaefer pointed out there is urgency which limits these discussions at this time. Attwell reiterated the urgency and the importance of asking the residents for approval in a referendum.

Schaefer noted he would like to see these negotiations revisited in the future.

Valde pointed out that this is not the question up for consideration at this time and agreed that a more equitable arrangement should be considered in the future. It is appropriate to ask the citizens for their approval and the discussion should remain about this item.

Hafner pointed out that the City of Delafield agreed to the funding formula based on the budget not increasing by more than CPI + 2%. This is significantly more than that. Hafner noted that if the Common Council approved the full \$531 for 2024, there is not much ability for the Common Council to negotiate that year.

Price asked if approving the referendum would allow for negotiation, as if the referendum were to fail then the funding would be limited accordingly. Hafner speculated that it would be likely that negotiations would be more likely to occur if the referendums failed. However, a failed referendum would be an issue for 2024 funding, unless the Common Council is willing to approve some kind of increase despite the failed referendum. Attwell is not supportive of the Common Council opting to increase regardless of the referendum results.

Aicher noted that he thought the resulting funding would be the CPI + 2% and then new hires would be fired, or other communities would need to pick up the difference. The formulas are a different discussion. The referendum question for consideration allows for flexibility. This is a baseline tool. This should only address the 2024 fee specifically and allow for increases at the Common Council discretion and this referendum is a good first step.

Sawyer-Gutenkunst suggested the Common Council provide staff with the authority to prepare a summary statement. Also, there had been no conversation regarding the separate ambulance fees that had been prepared for review. There are three issues – the fire fee, the ambulance fee, and the negative adjustment consideration. Hafner asked what happened if residents were to vote yes for one and no for the other. Sawyer-Gutenkunst pointed out that statues did address the fire and fee and ambulance fee separately. Hafner suggested the referendum wording be “combined fire and ambulance fee” to address the earlier concerns. Sawyer-Gutenkunst suggested this would work. The consensus was to combine the fees.

Grimmer summarized direction thus far is to create a statement the combines the fess and to direct staff to create a summary statement. Hafner clarified the summary statement does appear on the ballot. This should be a factual statement of what happens if it passes and what happens if it fails. Aicher wanted clarification that this is not a straight increase, and some of this is a credit from taxes already paid. Hafner would identify the cost per 1,000 of value due to the negative adjustment.

Hafner asked for clarification on whether the Common Council wanted to move forward with the referendum that included the negative adjustment and not the levy limit increase. The consensus is to include the negative adjustment. This will simplify the question.

Attwell asked for clear numbers regarding the fee with the loss of revenue for not hiring the seven staff members. Chief Fennig summarized the reasoning for the expected loss of revenue. The intern program is currently filling scheduled positions, but additional interns are not applying for those spots. If full time staff members are not implemented, there is no one to fill the intern positions, and the result f the vacancies will be closed fire stations and reduced services and revenue.

Hafner requested direction from the Common Council. Grimmer summarized there should be a tweak to combining the statements and removal of the language combining EMS and Fire. Discussion occurred regarding whether to include the “not to exceed” language. Hafner noted that if that language is not included, that is the number that must be charged. Aicher questioned if this language would allow for a reduction if necessary. Hafner confirmed. Aicher supported the language if that is the result. Schaefer clarified this was just regarding year one. Hafner clarified this is just year one.

Schaefer asked about adding a statement clarifying the amount that removed from the levy is fully supported by the fee. Grimmer explained this is the summary statement. Hafner noted this might be better part of public education.

Sawyer-Gutenkunst advised that the motion should include direction for staff to create the summary statement.

Hafner asked about the dollar amount. He had heard the Common Council supported the 2024 Fire Board approved budget amount. The \$531 was reiterated by Common Council members. Henry clarified the full budget approval would not give the Common Council any leverage unless the referendum fails. The lower amount would allow for the City of Delafield to have more leverage in future negotiations. Attwell would not like to see a number higher than the \$497. Hafner clarified he is not looking for a specific number, but a what portion of the Fire Board budget the Common Council would like to support – the full amount, 2/3, etc.

Motion by Grimmer, seconded by Price, to direct the City Administrator create referendum language that includes the 2024 LCFR Fire Board budget, combines the EMS and Fire protection onto one statement, removes the referenced reduced levy amounts and includes a brief summary statement for public understanding of the referendum.

Discussion: Henry asked for clarification regarding the levy language. Grimmer noted this was to remove the language to reduce the levy. Hafner clarified that this is to go with the option that includes the negative levy adjustment.

Grimmer amended the motion to add “not to exceed the 2024 budget” language. Price seconded the amended motion.

Discussion: Sawyer-Gutenkunst summarized the motion direction. Hafner explained the budget references would be converted into dollar amounts for the finalized referendum.

All in favor. Motion carried.

6. Adjournment

Having no further business, the January 3, 2023 Common Council Special Meeting was adjourned at 6:15 PM.

Respectfully Submitted,

Molly Schneider,
City Clerk