
AGENDA

SPECIAL CITY COUNCIL MEETING/ WORKSESSION ON THE FY13 BUDGET
TUESDAY, JANUARY 17, 2012
CONTOIS AUDITORIUM
7:00 P.M.

PRESENT: Acting Mayor Keogh; Acting President Mulvaney-Stanak, Councilors Adrian, Bushor, Berezniak, Kranichfeld, Hartnett, Wright, Shannon, Blais, Paul, Decelles and Dober, Councilor Brennan (via phone)

ABSENT: Mayor Kiss

CITY ATTORNEY'S OFFICE: Ken Schatz and Gene Bergman (arrived at 7:00 p.m.)

CLERK/TREASURER'S OFFICE: Rich Goodwin, Scott Schrader and Lori Olberg

Councilors Shannon and Brennan nominated Councilor Mulvaney-Stanak to serve as acting City Council President. The motion passed unanimously.

1. AGENDA

Councilors Shannon and Bushor made a motion to adopt the agenda as is. The motion passed unanimously.

2. CONSENT AGENDA

On a motion by Councilors Shannon and Bushor, the consent agenda was unanimously adopted thus taking the following actions as indicated:

- 2.01. COMMUNICATION: Mayor Bob Kiss, re: VETO MESSAGE Ordinance 9.0
*waive the reading, accept the communication, place it on file and place this on the January 23, 2012 City Council Deliberative Agenda

3. PUBLIC FORUM

Acting City Council President Mulvaney-Stanak opened the public forum at 7:10 p.m.

<u>Name</u>	<u>Ward/Affiliation</u>	<u>Subject</u>
Jenny Davis	Ward 4 Resident	Against Tax Increase
Phil Lavigne	Ward 7 Resident	Against Tax Increase

There being no one further coming forward, Acting City Council President Mulvaney-Stanak closed the public forum at 7:17 p.m.

4. COMMUNICATION: Mayor Kiss Re: FY13 Budget and Tax Increase

Councilors Bushor and Shannon made a motion to waive the reading, accept communications 4 – 4.05. and place them on file. Councilor Bushor requested addressing item 4.04. separately. The motion passed unanimously.

4.01. COMMUNICATION: Interim CAO Scott Schrader, re: 2013 General Fund
Budget Development

4.02. COMMUNICATION: Interim CAO Schrader, re: Burlington Sales Tax
Comparison 2007 to 2012 By Quarter

4.03. COMMUNICATION: Interim CAO Schrader, re: Burlington Gross Receipts
Tax Comparison 2007-2008 to 2011-2012 by Month

4.05. Memo to Council President Keogh From Interim CAO Scott Schrader and City Attorney
Ken Schatz Re: Questions Regarding School Department Budget and Retirement Costs

Interim CAO Schrader stated he would like to explain the communications that were presented. There was a memorandum regarding the general fund budget development. It was designed to inform the Board of Finance and City Council what the budget would look like. The timing was awkward, because in order to place an item on the ballot for the March election, City Council has to approve it by January 23. Ideally, there would be more time to have a better picture of where things stood, but there was a potential for a \$600,000-700,000 hole. Departments were asked to prepare budgets that would absorb the cost of living adjustments. City Council could delay on this and have a special election, but administratively that was not an ideal solution, as elections cost money and staff time. This would allow discussion about whether or not a ballot item was desired. There were three departments that were concerning: Police, Fire and Parks and Recreation. Those would have the greatest impact on service. They had described what the impacts would be. The Police Department expected they would need to cut 9 sworn officers. The Fire Department had stated they would need to eliminate 4 firefighter positions by placing one engine company on a rotating basis. Parks and Recreation had identified service reductions and fee increases. These departments had the greatest number of personnel, so they cause the most concern. To restore those cuts, a 2 cent increase in the tax rate would be necessary. Other issues would include retirement costs. \$1.2 million would be shifted to the School Department. That would cause the retirement tax rate to go down, but there would be an increase in expenses that need to be paid into retirement. There had been some growth in the grand list that would generate revenue. Sales Tax was up, but had not increased as much as hoped and cannot be relied on as a revenue source. Gross Receipts was performing better and there had been an increase \$57,000 over budget, but it was difficult to trend and was unclear if that would be sustained. There had been many cuts in the last few years and there had been service impacts. The

choices moving forward would be deciding if a ballot item was desired, waiting and holding a special election later, or facing more service cuts.

Councilor Dober inquired why information from December was not available for sales tax or gross receipts. Interim CAO Schrader stated that sales tax was received through the State and they had not yet provided the second quarter payment. Because of this, there was no way to estimate it. With Gross Receipts, there was a delay in receiving payments from businesses and it took time for them to prepare their return. Councilor Dober inquired why this process was happening now if there was no forecast for the following year and inquired about changing the fiscal year. Interim CAO Schrader stated estimates were based on quarters for sales tax and a quarter and a half for gross receipts. The closer to the end of the fiscal year, the better the estimate was. It was difficult to trend with one quarter. Ballot items have to be ready for January 23 for a budget due in June. It was difficult to estimate revenues at that time.

Councilor Shannon inquired if the transfer of retirement funds did not occur, would the tax increase by \$1.8 million. Interim CAO Schrader stated it would increase by \$600,000. He presented a diagram showing what the impacts of the tax increase would be. The retirement tax rate would be reduced by about 2 cents. With the increase in the municipal and education tax rates, a single family house assessed at \$237,000 would have an overall increase of about \$400. Councilor Shannon inquired about property tax revenue. Interim CAO Schrader stated revenue was performing better than anticipated and there had been an increase to the grand list. Councilor Shannon stated having those projections would be helpful since that was the bulk of revenue. When discussing the elimination of Personal Property Tax, it was stated increases to the grand list would offset that. Interim CAO Schrader stated there were three main revenue streams- property tax, sales tax and gross receipts. Increases in the grand list would not offset the costs of the increased COLA. Councilor Shannon inquired what the increase in the grand list would be. Interim CAO Schrader stated he would have to get that information for her. Councilor Shannon requested information on the increase in the grand list and what amount of tax revenue that would generate.

Councilor Bushor stated she was unsure what the reduction in payroll in the Clerk/Treasurer's Office would be, but it was clarified that there would be a reduction in employees. She stated there were some small savings in non-personnel costs for the Fire Department and requested that be described more specifically. She stated Code had been doing good work and increasing the number of inspections. They were anticipating increased revenues, but she stated she would like to be sure that number could be sustained. She requested clarification about why revenue was increasing from Planning and Zoning. The Library would be handling the cost by shifting hours and costs and a very clear straightforward way. Public Works had stated they would compensate \$99,000 through increased revenue, but raised questions about what would happen if the revenue did not come in. Parks and Recreation needed to maintain affordable programs. Increasing fees was not a good option. It would be better to look at what programs were used the most and keep them affordable. There could be some creative solutions to save some money. The City did need and want this money, but residents may not agree. Safety services were important. Interim CAO Schrader stated that the \$28 million increase in the grand list would generate \$200,000-\$210,000. The COLA increases would be \$1.1 million. The two choices were to reduce expenses, which would equate to reduced services, or increase revenue. The Clerk/Treasurer's Office would continue to reduce staffing and it would be difficult. Software systems would be helpful in the long term, but it would be challenging to implement while still reducing staff. The result would be a reduction

in services. Increased revenues in Code could still be expected, as they had good systems in place. Fees in Parks and Recreation would be in the cost for ice time. The demand had gone up and increasing the rate would make up some of the shortfall. The revenues in Planning and Zoning did seem to mitigate the difference and rely on building. Councilor Bushor stated in the past ice fees were raised and other communities provided ice time instead. Money was actually lost. She stated she did not want this to happen again.

Mari Steinbach, Director of Parks and Recreation, stated that relying on increased revenue sources was precarious. 60% of program participants were underserved populations. There had been proposals to include \$70,000 of additional revenue sources. This was arrived at through new fees and increased fees in all sectors. Additional sponsorships were being solicited. There was continued growth in program expansion. Staff was prepared to find strong revenue to expense revenues through elite programs that wealthier members of the community could afford without affecting the lower income members of the community. There had been additional efficiencies in operations, such as in dockage and transient mooring fields. Renumbering the mooring field and increasing harbormaster patrols would eliminate bandit use of the mooring fields. That would bring additional revenues. Relying on revenues was difficult in maintaining facilities. There was no simple way to replace a \$6,000 piece of equipment that had broken because revenue was being relied on, and that was a problem.

David White, Director of Planning and Zoning, stated permit revenues account for 82% of revenue in the budget. The projected rate was based on the trend in the last two years and how well it was projected in the past. There were areas that could be increased and there were areas that the permit fees themselves could be increased. These would be minor increases in permits for things like awnings and fences to help fill that gap. Predicting fees was difficult, but in the last year there was over \$100,000 added to the general fund. Councilor Bushor inquired what would happen if it did not go as planned. Mr. White stated the difference was made up by the general fund. In most years general fund dollars were used for operations, but in other years money was added back into the general fund.

Councilor Bushor inquired what the reserve was, because if projected revenues were not achieved, it was important to know how that would impact the reserve. This was important because it affected the City's credit. Interim CAO Schrader stated that was being discussed with the Auditor still. It appeared that changes in requirements from GASB and the auditor review, any reserve had to be declared as non-spendable, as there were debts that would not be repaid within one year. The fund balance was about \$8 million, but that would be completely unavailable until the non-spendable portion was obtained by the City.

Councilor Dober inquired about the fee increases in Planning and Zoning being an effort to absorb a tax increase by charging homeowners more to fix their homes. Mr. White stated the effort was to cover costs of Planning and Zoning through increased application fees. Councilor Dober stated that to taxpayers this would appear that the City was trying to get their money one way or another. He stated his area was conservative and it would be difficult for taxpayers.

Councilor Kranichfeld stated this was a flawed process. Last year, the Mayor asked for a tax increase without any budget. Scare tactics were being used by saying that if taxes were not raised there would be

significant cuts to Police and Fire to impact public safety. There had been no effort to look at departments individually and find a proposal to level fund Police and Fire. It was difficult to have meaningful conversation without more information. He stated he would like to see a more creative approach taken. He would like to see a proposal that would not raise taxes or affect public safety. He stated if a tax increase was necessary, he would prefer a special election so there was a better idea of the full picture.

Councilor Wright inquired why use of general fund money in CEDO was not being examined and inquired if that amount was \$250,000. Interim CAO Schrader stated it was, and stated it was his role as an administrator to bring the barometer of what would be faced during the budget process. Cutting programs was a policy decision and was not part of the role of the administration. Councilor Wright inquired how much revenue would be generated by increasing the tax rate. Interim CAO Schrader stated one penny was approximately \$350,000. Councilor Wright stated that last year, not all of the money that was requested was needed and inquired why that happened. Interim CAO Schrader stated it was the result of better revenue returns from sales tax and gross receipts. Councilor Wright inquired if revenues were trending upwards and if that might mitigate some of these gaps. Interim CAO Schrader stated that trend analyses had showed that the first two quarters for the past three years generated 56% of gross receipts revenue. If that projection was used through the remainder of the year, it would be approximately \$75,000-\$80,000 in additional revenue for gross receipts. The gap was \$1.1 million just for COLA. There were continuous examinations of efficiencies. Sometimes it was necessary to look to the future, as was done with the financial management software. That was long term investment and savings would not be received immediately. \$100,000 in gross receipts was helpful, but not the whole solution. Some of the \$1.1 million could be absorbed, but not all. Councilor Wright inquired if the money being transferred to the School retirement could be used for general fund purposes. Interim CAO Schrader stated it was a tax specifically dedicated to retirement. Councilor Wright inquired if the shift reduced the increase, but \$600,000 would still be needed for retirement. Interim CAO Schrader stated that \$1.2 million would be shifted to the schools, but the overall decrease would be \$600,000. Councilor Wright inquired about the amount of money the City contributed to retirement. Interim CAO Schrader stated that the amount being used to pay off the unfunded liability was approximately \$4-\$5 million a year. Councilor Wright inquired if that had increased. Interim CAO Schrader stated for FY 12 it was \$4.5 million and in FY 13 it was estimated at \$5.1 million. Councilor Wright inquired if that was what was required to stay within the required percentage. Interim CAO Schrader stated that was correct. Councilor Wright stated that the Council wanted to support all departments, but this was happening in the middle of a Mayoral race. There was a significant change last year from March and what actually happened. The more information that was available before making a decision, the better.

Councilor Adrian inquired about the \$8 million for the rainy day fund. Interim CAO Schrader stated it was held. Councilor Adrian inquired if it was being held for whatever happened with Burlington Telecom. Interim CAO Schrader stated a portion of it was, but some of it was from un-spendables that there would be reimbursements from, such as grants. Councilor Adrian inquired if the cost of a special election would be \$10,000-\$12,000. Interim CAO Schrader stated it would be. Councilor Adrian stated that he was one of the few people on the Council that have said that salaries need to be held during collective bargaining. He stated there were plenty of people in Burlington that do good work and were well paid. The time to negotiate with them was during collective bargaining. Now it was time to repay debts, and it would be important to remember this next time collective bargaining came up. There were

long term consequences. It was one thing to go without pay increases, but it was another thing to have people lose their jobs. It was better when more people could share in a smaller sacrifice. He stated he would support the school tax. He stated he did not want to have to make choices between different departments. He stated he would support the tax increase, and the money was not obligated to be spent. A new administration would be making decisions on how to spend money.

Councilor Hartnett inquired how long these major payments to retirement could be sustained. Interim CAO Schrader stated payments were not slated to go up, and have stabilized unless wages go up above estimates or the stock market performs poorly. According to the latest assessment, the amount of underfunding was stabilized. Interim CAO Schrader stated it was a 30 year projection and the City could do that, given that the retirement piece was in the tax rate. There needed to be significant work on the retirement system. It would need to be done in concert with employees during collective bargaining. Councilor Hartnett stated the Council talked about spending money on the Moran Plant and the Skate Park, but these seem insignificant compared with people losing their jobs.

Councilor Berezniak inquired if the proposed budget adjustments would impact the ability of any departments to generate revenue. Interim CAO Schrader stated that was a worthwhile question. Largely, the budget as a whole was an investment. Many items that seemed superfluous were not. City Arts brought in significant revenue to the economy of Burlington, but it was difficult to calculate an amount. Businesses in the City of Burlington felt the benefit of departments like City Arts, the Parks and Recreation Department and the Library. It had to be examined in totality. Cultural events had an impact on the Police Department.

Councilor Shannon stated that COLA was increasing faster than the grand list. That was not sustainable and was a big problem. That discussion happened during negotiations, and now the alternative was a loss of jobs and services. She inquired if the tax increase would cover Police and Fire only. Interim CAO Schrader stated it would keep Police and Fire whole and be used specifically for them. For non-public safety departments, it provided them with flexibility. Councilor Shannon inquired how much money the 2 cent increase would generate. Interim CAO Schrader stated it would generate approximately \$700,000. Councilor Shannon stated that it was difficult to make a decision based on this information. There would be a new mayor, and it would be difficult to put them in a position to ask for a tax increase right after being elected. The decision needed to be made in a week, but the appropriate information was not available. She stated there was \$250,000 of general fund money that went to CEDO. Police and Fire used such a large portion of general fund money that there was no way to do this without impacting them. It would be interesting to leave Police and Fire as is, and everything but them is cut. It would be good to know what that looked like. Citizens should be offered options. They might prefer a reduction in services. It would also be helpful to have a summary of all revenue sources and projections.

Councilor Blais stated all three mayoral candidates have entered the race knowing that they will have difficult decisions to make. There is a climate where there is little trust or faith in the numbers coming from the administration. The electorate will be more receptive to a new mayor with a fresh outlook.

Councilor Decelles inquired if the 9 sworn officers that would be cut were positions that were actually filled or 9 additional officers that were currently working. Police Chief Schirling stated the number would

be 9. There were currently 5 vacancies, but not all were funded. The broader context was that the department was running as lean as possible and there was no more room for cuts. In the last 15 years, there had been reductions from 158 employees to 136 employees with only 133 employees funded. For 133 employees, there was only one administrative assistant. There used to be 8 records clerks, now there were two. There was no longer in house payroll or accounting. Only core operations were occurring. He stated he did not want taxes to go up, but Police and Fire were an overwhelming component of the fund. To maintain their needs other departments would have to be eliminated entirely. Positive activities in the City drive down call volume and crime rates. Additionally, the situations that were handled each day were increasingly complex. The State of Vermont did not have the resources to deal with issues such as mental health, criminal justice, and substance abuse. The City and State were growing and these issues became increasingly prevalent. The Fire Department dealt with many of the same problems. Burlington continues to be one of the greatest small cities in the nation, despite these challenges. When all else fails, 911 is used to solve problems and that is happening more and more often.

Councilor Decelles inquired how much money was budgeted for outside council and Telecom. City Attorney Schatz stated that Burlington Telecom's legal expenses were paid for by Telecom. For other outside council, about \$300,000 was spent. The Attorney's Office was cut last year by \$75,000 to hire a new Assistant City Attorney, which has been done. There would be an additional cut of \$20,000. Councilor Decelles stated that his daughter got hurt at school and the response time was quick. A fireman comforted her and helped keep her calm. There were only a few people who go to work every day not knowing if they would go home at night and they deserve to be paid differently. Too much money has been spent on Moran and Burlington Telecom. Even if it went on the ballot, it would probably be voted down.

Larry Kupferman, CEDO Director, stated CEDO's budget was funded primarily federal and other resources. There was a transfer in of \$300,000 from the general fund. \$100,000 was used as a match for occupancy in City Hall. The \$200,000 supported several projects including servicing the NPAs, Legacy and SEIP, CJC Rent and the Graffiti Program. The Legacy Project had provided input for vision that was used by planning. Someone must have to work on growing the tax base, and CEDO did that. Moran would grow the tax base. Having direction and focus helps growth. Money spent on Moran had been planned to recoup all expenses entirely. Councilor Hartnett stated that was the plan but it was not guaranteed to be paid back. Tax dollars were not supposed to be used for Moran but they have.

Councilor Dober stated that tax dollars were spent on Moran. He inquired if the trend analysis for gross receipts was similar to the trends for sales tax. He also inquired how other years compare. Interim CAO Schrader stated that he could not say without the second quarter results and would have to check on previous years. Councilor Dober stated if the trend continues, there may be another excess of \$200,000. Interim CAO Schrader stated that the problem with that was it was budgeted to be higher than last year. It appeared that the revenue estimate would not be achieved. Councilor Dober stated there would be additional revenue of about \$200,000 for sales tax and \$70,000 for gross receipts if the trend remained on course. Interim CAO Schrader stated he would need to double check those numbers.

Councilor Kranichfeld stated it would be better to wait for a real proposal from a Mayor. Getting the tax increase set up for the next mayor was not a good idea. There better be a good reason to ask taxpayers for

more money. He stated he could not afford to pay more taxes. As a State employee, he said he had not seen an increase in pay for years. He stated that there needed to be a hard look at efficiencies within departments before taxpayers were asked for more money.

Councilor Bushor inquired what Public Works would do to offset the \$99,000 hole if the revenues were not sufficient to cover that expense. There should be an evaluation mid-year to see if they were on track, as there was no reserve that could be used to balance the budget. Steve Goodkind, DPW Director, stated that revenues were tracked monthly and adjustments were made. Programs within DPW would pay other programs to do work for them when needed. Councilor Bushor inquired how that worked. Mr. Goodkind stated the Streets program consisted of sidewalks, streets and drains. The Storm water program helped deal with drains and they had a fee and money. They could pay DPW to do work they might hire outside people to do. The Street Capital program sometimes used this system as well to do work that would otherwise be done by contractors. Councilor Bushor inquired what the downsides of this system were. Mr. Goodkind stated he was not sure why it was not done more. This allowed more work to be done for less money. Councilor Bushor stated that would need to be utilized. She stated she would not decide about this based on who the new mayor would be. This happened each year where there was not enough information to make budget decisions. It was always difficult to project what known revenue and expenses were. At some point action needed to be taken. There were questions that needed to be answered. The longer that you wait the more difficult it becomes to have a continuum of services when the future is uncertain. She stated that 2 cents was probably pretty close to what would actually be needed. Other departments were going to take a hit and this would affect services. There was no control over the School budget, but that was a huge request. The City had a lot of need that needed to be balanced. Students of all ages need arts, libraries, sidewalks and water. She stated she was inclined to be supportive of the 2 cent request. Mr. Goodkind stated that last year there was a proposal to cut sidewalk plowing, but that was not done because there was a good summer in construction.

Councilor Shannon inquired how much money was budgeted for the Southern Connector. Mr. Goodkind stated only about \$20,000- 2% of the total cost. Councilor Shannon inquired where the rest of the money came from. Mr. Goodkind stated 95% was federal, 3% was state, and 2% was local. Councilor Shannon inquired if costs would increase when construction began. Mr. Goodkind stated that the City's share could cost about \$600,000, but those expenses would not happen until Fiscal Years 2014-2016. Councilor Shannon inquired if steps were being taken now to make sure that funding was in place. There have been suggestions that it could come from street capital.

Councilor Paul inquired where money for work on Saint Paul Street and Lower Church Street came from. Mr. Goodkind stated 80% of that was federal and 20% was paid from City funds. Councilor Paul inquired what the total cost was. Mr. Goodkind stated that he would have to look it up. Councilor Paul stated there was a perception that the City spent all of this money on projects, but most came from the federal delegation. She stated that last year having a 4 cent increase on the ballot required campaigning and personal support. She inquired if the Mayor and the Council would need to campaign for the 2 cent increase. Acting Mayor Keogh stated each Councilor would need to determine if they would like to support it. Councilor Paul stated the budget process had not happened yet and a tax increase is being asked for. Many departments, especially smaller departments, were very efficient with money that was given to them. In other departments it was very difficult to tell. This administration had been creative

about using money. She stated previous discussions stated Moran would not spend City funds. That had been avoided by spending money from capital funds instead of asking for \$750,000 that was paid into Moran. If the project did not happen, that money was gone. There needed to be more creativity in raising money and less in using money. Some departments needed to do fundraising. There were people in the community who would volunteer their time to help the library stay open longer per day. She inquired about interdepartmental transfers from special revenue funds and enterprise funds. Interim CAO Schrader stated those were for services provided by those funds. There were no anticipated changes in charges to the general fund. Councilor Paul inquired about the Airport Parking garage issue. Interim CAO Schrader stated no change was being anticipated. The FAA needed to respond first. Councilor Paul inquired about a reorganization plan in CEDO, as there would be a cut in federal funds, and inquired if they anticipated general funds making up differences in federal funds. She inquired if positions would be eliminated. Mr. Kupferman stated there was no active plan in place to reorganize. The money supported specific positions that were not supported by federal funds. Councilor Paul inquired if CEDO would look to the general fund to make up shortcomings in federal funding. Mr. Kupferman stated there would be a reduction in CDBG funding that would affect CEDO operations. The citizen's advisory group would make the decision on how to spend the grant. They could choose to reduce CEDO staff funding, or reduce contributions to outside groups. The way that decisions were reached could be changed. He stated he was concerned that the way the City supported community development relied entirely on CDBG and that supported three positions. There had been increases in the lead program, but that was very specific work. CEDO advises the Mayor who makes the final decision on the budget. He stated he did not anticipate a reorganization of the department.

Councilor Shannon stated she liked the vision of a public with new confidence in a new mayor. However, she was unsure if that would lie within the timeline of the budget. The budget would have to be passed by the end of June and the new mayor would take office in April. City Attorney Schatz stated by charter the budget must be passed by June 30. Councilor Shannon stated she thought it had to be earlier for logistical reasons. Interim CAO Schrader stated ideally allowing ten days to issue property tax bills was helpful because until that happened the City was unable to collect revenue, creating a cash flow problem. Councilor Shannon stated for this to be on the March ballot it needed to be passed in a week. Interim CAO Schrader stated a 40 day lead time was required to put items on the ballot. Councilor Shannon stated if a new mayor came into office and determined a tax increase was necessary, they would ask the Council to put that on the ballot. If done the first week in May, the vote would be in early June. She inquired about the possibility of building two budgets. Interim CAO Schrader stated that there would be no other alternative for that mayor. Councilor Shannon stated that there were hopes in finding efficiencies, but it was not realistic for any mayor to come in and suddenly find efficiencies in the amount that would be needed. In order to find deficiencies, restructuring would be needed. The Mayoral candidates would be bringing those suggestions forward in the near future.

Councilor Berezniak stated there were few options for Councilors. Property taxes were the main sources of revenue, but that was a limited source, and much of what the Occupy Wall Street movement was about. It was best to give taxpayers the option of whether they would like to pay more or receive fewer services. All department heads try to run departments as efficiently as possible. Many problems come from cuts at the State and Federal level. Those agencies have the option of distributing wealth more equally, but the City is left with no choice but to ask taxpayers for more money.

Councilor Brennan stated that the current administration had put forth the bare minimum to maintain the needs. He stated he will support what is on the table. The burden is high and the school tax is difficult. There is a disconnect in the way that schools are paid for and how they are utilized. He stated a small progressive income tax would be helpful for the schools.

Councilor Wright stated it is important to consider if this should be on the ballot in March or later. It was important to think about whether or not that it would pass.

Councilor Hartnett stated the new mayor would be able to handle the task. He stated that he would campaign for any item put on the ballot. He stated he disagreed with the idea of fundraising in most departments. City Arts made sense, but it was hard to ask taxpayers for more money through fundraising efforts when they already put so much in taxes.

Councilor Adrian stated that the two biggest cost drivers regarding the budget were personnel costs from Police and Fire. The only way to address those was cutting positions, which was not going to make anything more efficient. The time to do this was during collective bargaining, and it could not be changed now. Cutting positions put the City at risks for reduced services and it was wrong to make people lose their jobs. Putting this on the ballot gave the next administration the ability to spend or not spend the additional money. Everyone should campaign for this because it would give the next administration flexibility. Voters needed to determine who they entrusted the City with and how they would spend the money.

Councilor Paul stated that the Library did fundraising and relied on volunteers to make up the cuts from last year. Parks did fundraising for specific projects and also utilized volunteers.

Councilor Brennan stated supporting this was the right thing to do. There could be a mayor elected with a minority vote and this will be the time to do it.

4.04. Draft Ballot item: MARCH 6, 2012 ANNUAL CITY MEETING--AUTHORIZATION
FOR INCREASE IN MAXIMUM TAX RATE FOR POLICE AND FIRE
DEPARTMENT PURPOSES

Councilors Wright and Decelles made a motion to waive the reading, accept the communication and place it on file.

Councilor Bushor made a friendly amendment to postpone action on this item and address it on the next agenda.

Councilor Kranichfeld made a point of order that voting yes on this is only accepting the communication. City Attorney Schatz stated the motion is to accept the communication and more action can be taken at the next meeting on a resolution.

Councilor Bushor withdrew her amendment.

The motion passed by a vote of 13-1 with Councilor Bushor voting against.

5. ADJOURNMENT

On a motion by Councilors Dober and Paul, the meeting was adjourned at 9:28 p.m.

Attest:

Lori Olberg, Licensing, Voting & Records Coordinator and Amy Bovee, Executive Secretary