

If Alder Norell's motion to remove a \$500,000 item from the Capital Projects Debt Borrowing schedule for 2025 **FAILS**, my motion will be as follows:

I move to amend the City of Manitowoc's 2025 Proposed Budget as follows:

1. Increase Interest & Dividend Income in the Treasurer's budget from \$550,000 to \$750,000 account number 1100-14200-481100 which increases Income in the General Fund by \$200,000.
2. Decrease Retirement/Termination Payout in the Contingencies area account number 1100-19100-513700 from \$100,000 to \$-0- as the departmental budgets, have funds budgeted for the known and expected retirements. Reduces expenses in the General Fund by \$100,000.
3. Decrease Other Capital Improvements in the Community Development budget account number 1100-61100-582900 from \$250,000 to \$-0- decreases expenses in the General Fund by \$250,000.
4. The above amendments make \$550,000 available in the General Fund. I move that the \$550,000 freed up in the General Fund be transferred to the appropriate area or areas in the Capital Project Fund #4300 to reduce the amount of borrowing needed in 2025 by \$550,000. Borrowing would then be reduced from \$7,179,982 to \$6,629,982 for general purposes.

If Alder Norell's motion to remove a \$500,000 item from the Capital Projects Debt Borrowing schedule for 2025 **PASSES**, my motion will be as follows:

Items 1, 2, and 3 remain the same as above. Item 4 will be as follows:

- 4 I move \$193,704 of the \$550,000 savings in the General Fund to the appropriate area or areas in the Capital Project Fund #4300. The remainder (\$550,000 - \$193,704 = \$356,296) \$356,296 shall be used to reduce the \$3,500,000 of General Fund Balance Applied to balance the budget to \$3,143,704. Borrowing would then be reduced from the Original \$7,179,982 (less \$500,000 Norell Amendment is \$6,679,982) less \$193,704 transfer to \$6,486,278 which now equals the amount of General Fund Debt scheduled to be taken out in 2025 Budget.

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Reasoning:

1. The current amount budgeted for next year is too low. In 2023 an adjustment to the original budget amount was requested. The change that was made exceeded the requested change amount. The actual amount of interest & dividend income along with the write up to market ended up substantially above even that amount. Remember that if investments are held to maturity, a markup

or markdown to market at year end is only a paper entry. It doesn't affect the actual stated interest rate or amount received.

2. Retirements identified and projected are accounted for within the individual departments budget. This additional contingency is not needed and simply increases the levy needlessly.
  
3. Capital Improvements in the Community Development budget is to fund landscape trees, concrete work (sidewalk replacement), and lighting mounting poles, ornamental lighting, etc. along 9<sup>th</sup> Street from Washington to Chicago; Jay Street from 7<sup>th</sup> to 10<sup>th</sup> Street; and Riverwalk. All of these expenses are not mandatory or a need. The sidewalks all are currently in good condition. Planting trees and other planters would only reduce walking areas. There currently are shrub hedges and some plants in these areas where the parking areas exist. We've already spent millions of dollars on the downtown area. These streets reside in TIF Districts which were established to fund items of this nature. I have no problem with updating and making these areas a bit fancier but when let's do it when they the sidewalk actually needs replacing, or the lights really need to be replaced. The tentative road project schedule has 9<sup>th</sup> Street from Quay Street to Marshall being redone in 2027. That would be the time to update 9<sup>th</sup> Street with those items being considered.
  
4. If Alder Norell's motion passes, lowers amount of Borrowing by \$500,000. If it doesn't but Alder Reckelberg's does pass, lowers amount of Borrowing by \$550,000. **If both motions pass, lowers amount of borrowing by \$693,704 and reduces the amount of General Fund Balance Applied to the budget by \$356,296.**

Other Notes:

General Bond Principal to be paid off in 2025 budget	\$2,306,278
General Note Principal to be paid off in 2025 budget	<u>\$4,180,000</u>
General Debt Payoff in 2025	\$6,486,278

Revised Principal Borrowing for 2025	<u>\$6,629,982</u>
Our Outstanding General Debt would only go up	<u>\$ 143,704</u>

**As it stands now without any modifications**

General Debt Payoff in 2025	\$6,486,278	
General Debt Principal Borrowing (Unrevised)	<u>\$7,179,982</u>	Tab 6 Budget Book
<b>Outstanding General Debt would go up</b>	<b><u>\$ 693,704</u></b>	

Our 2024 General Debt Payoff Totaled (2024 Est.Act)	\$6,241,000	
Our 2024 General Debt Borrowing (2024 Budget)	<u>\$6,964,000</u>	Tab 5 Budget Book
Outstand General Debt Increase in 2024	<u>\$ 723,000</u>	