

Approved 10/24/16

Village of Elm Grove
Finance and Licensing
Budget Workshop
October 13, 2016

Present: George Haas, Glenn Schrubbe, Martha Kendler, Pat Kressin

Also Present: Monica Hughes, Dave De Angelis, Tom Harrigan, Richard Paul Jr., Sarah Muench, and Bonnie Klamick

Mr. Haas called the meeting to order at 7:00 pm.

Discussion of Proposed 2017 Budget

Mr. De Angelis presented the budget summarizing major components. He noted that the budget includes a levy increase of \$89,430 or 1.33% and is within the state levy limits. He noted that the current proposed budget includes a 10% increase to health insurance and no wage increases. The budget also includes some changes to the capital budget to reduce the required levy; moving the DPW excavator to 2022, moving the DPW truck with swap attachments to 2018, increasing the cost of the ambulance but also moving to 2021, and recommending that available funds in the general fund in 2016 be transferred to the capital fund to support the additional costs of Watertown Plank Road Bridge. He also pointed out that past year's levies have included \$1,500,000 to fund the MMSD capital charge but that has been reduced to \$1,425,000 in this budget. The additional funding for the capital charge has been moved to the user fee.

Committee members questioned the status of the health renewal and the fact that no wage increases are budgeted. It is a negotiation year for our police contract so at this point there is no committed 2017 increase and in past practice contingency funds have been used to support wage increases approved by the board in negotiation years. It is anticipated that there will be some savings on the health insurance and those funds could be directed to wages if approved. Currently the village has received word from our carrier that the renewal will be 5.5% but also proposed an alternative plan with additional savings. Staff is looking further at the alternative plan and anticipates making a recommendation in the upcoming weeks.

Monica Hughes then reviewed the summary memo and pages included in the budget. She provided further information on the points above and reviewed the levy proposed and the effect on residential property owners. It was noted that the average home value has not changed and the current budget indicates a tax levy increase to the average single family property owner of \$27. The user fees have a slight increase of \$.80 overall for sewer, stormwater, and garbage collection. Again no funds are levied specifically for debt service, the remaining debt is for the stormwater project and is supported by the stormwater user fee and the TIF increment. The TIF will have an increment sufficient to pay its portion of the debt in 2017. Estimated fund balances were reviewed noting that the village will be within the parameters identified in its policy. Wages and benefits are summarized in the early pages of the budget and a graph included to show where these dollars are spent. It was noted that the wages and benefits are the largest portion of the budget with 2017 wages estimated at \$3,579,000 and that a 1% wage increase would be \$35,800.

The discussion then moved to specific departments.

Approved 10/24/16

Library

Sarah Muench, Library Director, and Bonnie Klamick, Library Board President, presented the budget and answered questions. Ms. Muench noted the change in personnel from 2 part-time positions to a full-time position with benefits which attributed to the increased benefit costs. She also requested slight increases to her material expenditures and a number of expense areas. Outside of wages and benefits the budget increase is \$3000. The committee discussed the library revenue, fund balance and overall support. It was noted that the library is maintained as a separate special revenue fund but is not expected to carry a fund balance. If funds are available they are used the following year to support operations. The library did carry over in past years some funds due to employee turnover and open positions. Currently the library is fully staffed and no funds will be carried forward which attributes to the additional levy funds needed.

Library Gift Fund

The library gift was also discussed noting that no budget is proposed form 2017. This is a fund that is supported by donations and under the oversight of the library board. The fund is part of the village's financial statements but expenditures are determined by donations received and needs identified by the library board. It was noted that the library has been fortunate to have a strong friends group that does substantial fund raising through its book sale and lights of love. Their donations and others provide additional materials and program support to the library.

Public Works

Richard Paul, Jr., Public Works Director, summarized the department budget noting that there is an increase in paving to be offset by the LRIP grant. Other items with small increases are winter road and equipment maintenance. A new line has been added for the costs of facility dude software and mobile 311 software. The facility dude software costs were previously in miscellaneous and that line had been reduced. The mobile 311 is new and will be used with the GIS system now hosted by The Dude. The GIS expense in general government was reduced \$1400. Wages and benefits include the additional costs of the planned use of general government maintenance employee in public works approximately 25% of his time. This year a savings is reflected in fuel costs and the 2017 also shows a reduction. Fuel costs are being budgeted at \$2.75 per gallon. There was discussion on the equipment rental which is budgeted at \$1,000. This is the expense of miscellaneous items the department may rent on a weekly basis for specific tasks being performed or due to equipment breakdowns.

Solid Waste

The budget was reviewed noting it includes the cost of the public works yard, brush pickup and our contract with John's Disposal for household pickup of garbage and recycling. The village has a user fee that is set annually to cover the estimated costs. This fee will remain the same in 2017. Our contract with John's can change annually but is dependent on the CPI and average fuel costs. Staff is currently working with John's on the new contract rates but no increase is expected due to lower fuel costs.

Forestry

Mr. Paul reviewed the forestry budget noting increases in tree care and emerald ash removal. The committee expressed concern on the number of trees being removed as compared to planted. Due to emerald ash the village has been removing a large number of trees not all necessarily large mature trees. That is expected to continue in 2017 as the area is affected by the emerald ash borer. Time constraints also can also limit the amount of replanting that can be done. The village is treating a number of ash trees, 11 in 2016, at a cost of approximately \$200 per tree. This treatment only last a few

Approved 10/24/16

years and needs to be done again. This is a new disease so the long term success of treatment is not yet known.

General Government Revenues

Monica Hughes reviewed the general fund revenues included in the budget. State aid for shared revenue, expenditure restraint and transportation aids will remain the same as 2016. Grant funding through the local road improvement fund is included in 2017. The village has seen an increase of recycling dividends due to the increased recycling with our new contractor and the single source recycling procedure. The state also restored funding to the program during 2016. Permits reflect an estimate under the new fee structure put in place mid- 2016. Under the new structure it is anticipated that building permit revenue will remain comparable to past years but there should be an increase in electrical and plumbing. Fines and forfeiture revenue rose has increased in 2015 and 2016 and is budgeted at that level for 2017. As indicated earlier the user fee for garbage and recycling is included and was set at a level to recover costs. The recreation revenue will be discussed at the next workshop when the recreation director is present. Commercial revenues reflect cable TV franchise fees, investment earnings and cell tower lease payments.

General Government Expenditures

The general government expenditures were reviewed. An increase in health insurance is the result of a change in employee enrollment from opting out to family coverage. The assessor costs are budgeted at the same level as 2016 though the village is still in the process of contracting for these services. The 2016 expense is higher due to the cost of new software that was purchased. 2016 has seen an increase in legal fees. The increase is attributed to higher hourly rates and more small items such as contracts that have required legal assistance and not a specific large item. Building maintenance was increased from \$35,000 to \$40,000 though it was noted that unforeseen repairs make this line fluctuate. In the current year we have had a number of large HVAC costs.

Inspection

The final area for discussion was inspections. As noted in the revenue discussion the village contracts with SafeBuilt, formerly Independent Inspections, for its services related to permits. A new fee structure and contract were implemented during 2016 and the costs reflected in the budget are the percentages due SafeBuilt under the contract. For residential the majority of permits reflect a 65/35 split with the village retaining 35% of the collected fee. Also included was a summary of past year's permit numbers. The village has requested this same information for 2016 to date from SafeBuilt as now it is all maintained within their software. Additional information should be available within the next few weeks. The statistics indicate the village issues a large number of permits annually most of which are for replacement of mechanicals or small remodeling and new construction.

Other Business

The next workshop will be Wednesday October 19, 2016 at 7pm. Ms Kendler indicated that she will not be able to attend.

Adjournment

Ms. Kendler and Mr. Schrubbe moved and seconded to adjourn the meeting at 8:30pm. Motion carried 4-0.

Respectfully,
Monica L. Hughes

Approved 10/24/16