

# Draft

**Village of Elm Grove**  
**Finance and Licensing**  
**Budget Workshop**  
**October 25, 2018**

Present: George Haas, Patty Kujawa, Glenn Schrubbe, Martha Kendler, and Glen Porter.  
Also Present: Monica Hughes, Dave De Angelis, Thomas Harrigan, Jerod Mikkelsen, Bill Selzer, Jim Gage, Mary Stredni, and Mary Inden.

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

## **Discussion of Budget**

Trustee Haas summarized the discussion the Board of Trustees had at their Monday night meeting concerning pathways and the request from the business association for financial support. The board supported including \$500,000 in the capital budget in 2023 for pathways with the understanding that this is adding \$100,000 to the tax levy this year and for the next 5 years. At this time specific pathways to be funded have not been identified. The board has supported a number of pathways in the past but no funds have been available for moving forward. The board expressed support for beginning to fund these pathways. The public works committee and the board will discuss pathways, village priorities, and feasibility at future meetings. The draft budget includes this item.

The second item reviewed was the request by the Elm Grove Business Association for financial support of the calendar, Holiday Open House, and Memorial Day After Party at the Park and Shop. These items were supported in past years but were eliminated in the 2018 budget due to our financial limits. The board questioned supporting an outside organization. Trustees did not feel that we should financially support the Holiday Open House or the after party. There was a mixed opinion of the calendar and the need for this paper calendar with so many people moving to electronic resources. Some members still felt it was an item that some residents use but questioned the cost and village input. A number of board members felt they couldn't approve until they knew what else would need to be eliminated to bring the budget into compliance with levy limits. The finance committee discussed this item, noting that this would be for the 2020 calendar and funds would be needed in late 2019. No adjustment was recommended for the budget, a decision can be made next year and contingency funds used.

Monica Hughes updated the committee that we have received our health insurance renewal, which will include a 3% increase. The initial draft of the budget included a 10% increase. Incorporating the 3% is a savings of \$33,000 and the levy would now be \$3,300 above the levy limit. A reduction of \$3,300 is still required.

The committee then reviewed department budgets:

## **EMS**

Monica Hughes reviewed, no changes to current year operations. Ambulance fees reflect the amount to be collected not what is billed. Our collections are similar to industry average with substantial deductions for Medicare approved amounts. Police wages reflect a transfer from the police budget for our officers all being EMTs and our first responders.

## **Fire**

Bill Selzer presented his budget noting that overall the budget will decrease 1.8%. This is due to a lower estimate for Paid On Call wages. He emphasized this is an estimate and can change depending on fire calls. Truck maintenance is lower this year than past. Year to date does not yet reflect the annual testing which is done in the fall. Also this year we have not had any substantial repairs for our trucks. Trustee Haas then asked about current trucks and if there are any replacements that should be expected in near

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future. The 1987 tanker is inspected annually and the village's intention is to keep it running as long as possible as is the case for the 2<sup>nd</sup> engine. With the new Rapid Response vehicle the 2<sup>nd</sup> engine is not currently planned to be replaced, its main purpose is transporting hose.

## **Recreation**

Monica Hughes presented the recreation budget. Jerod Mikkelsen, the village's new recreation director was also present. The budget was prepared prior to Mr. Mikkelsen beginning employment and reflects estimated revenue and expense similar to 2018. It was noted that swimming lesson revenue has decreased each year since 2015 and there has been a decrease in family passes since the wading pool has not been consistently operational. Mr. Mikkelsen will be reviewing enrollment numbers and program fees and will work with the recreation committee and any changes. It was also noted that the village is moving forward with the splash pad in 2019 and this should create an increase in pool revenue. Wages increased in 2018 and are budgeted again in 2019 reflecting an increase in lifeguard wages to compete with neighboring facilities.

## **Court**

The court budget was reviewed. The budget reflects a 5.4% decrease which is due to a reduction in estimated legal fees. The last two years have been lower than budgeted so an adjustment was made. We have not received any notice from our legal firm for increases in 2019. Mr. De Angelis noted that this is an election year for the judge and is the only time the salary can be changed. He is currently reviewing other municipalities and any change must be approved by the board prior to December 1.

## **Dispatch**

The dispatch budget was reviewed noting that the department is now at full staff. This year's wages are expected to be lower than budgeted but overtime will be higher due to the open position during the year. The budget has a 2.2% increase.

## **Police**

The budget was reviewed. The police department also is fully staffed and has been throughout 2018. This has allowed more officers to use accumulated comp time saving the village in paid out overtime costs. Gasoline is budgeted reflecting an increase in the cost of gasoline from \$2.75 to \$3.25 and increased gallons used of approximately 500 gallons.

## **Contingency**

The budget again includes contingency of \$100,000. In 2018 year-to-date the contingency has not yet been used. The committee approved an additional \$5000 for ash tree removal at the October meeting and the budget includes transferring \$50,000 of available operating funds and \$60,000 of paving funds to the capital in 2018.

## **TIF**

The TIF fund budget was reviewed noting there are 2 components- the original TIF and the amendment for the Heritage development. The budget includes a summary and then a breakdown of the revenue, expenses, and advance paybacks of each component. It was noted that the Heritage development value has increased substantially allowing for increased payback of the PayGo obligation. Once this obligation is paid, the funds will be used to payback the other advances. The original TIF has not seen its value increase and is not paying the scheduled debt obligation funds continue to be advanced from the debt service fund and general fund. Interest is charged to the TIF for these advancements.

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## **Capital Fund**

The capital fund budget was reviewed noting the changes since the initial meeting in September which include a transfer of \$50,000 of available funds in 2018 and an estimated \$60,000 from the 2018 paving budget as the Watertown Plank Rd pathway has been postponed until 2019. It also reflects the three projects to be supported by outside funding; splash pad, HVAC replacement, and Watertown Plank Road pathway expansion. It was noted that the levy required without including funds for future pathways would be \$609,000 similar to past years. The inclusion of the \$500,000 for pathways in 2023 requires funding of 20% of this cost or \$100,000. The village will be using an allowable adjustment for debt service to the levy limit to begin funding these pathways as supported by the Village Board. This will increase the levy by approximately \$.09 per thousand dollars of property value.

## **Donation Fund**

The donation fund was created in 2018 to capture the donations the village may receive for larger projects, at this time, it is anticipated that funds for the splash pad would be recorded in this fund. During 2018 the police department has received donations to expand the scope of the village camera system to include the downtown area, public works, and the park. The donation and expected expenditures are shown in this fund. No budget for 2019 has been created since it is dependent on donations, similar to the library gift fund.

## **Municipal Water Fund**

The municipal water fund is currently inactive. This fund will be used in the future for expansion of the municipal water system. It was noted this is for future capital projects, new user revenue for the current system would be recorded to the TIF which is responsible for paying for that project.

## **Summary**

Monica Hughes noted that the renewal of the health insurance at 3% compared to 10% included in the draft of the budget reduces the levy to within \$3300 of the levy limit. The committee discussed where an additional reduction could be made. Dave De Angelis suggested reducing the estimated HRA expenditure of \$150,000 by \$3300 to meet the limit. It was noted that this is an estimated number and the current year is trending to be approximately \$125,000 as compared to \$154,000 in 2017. The committee supported this decision. No decision was made to include funds for the business association requests, the committee felt that this should be further evaluated by the board during 2019 and the funds could be directed from the contingency.

Martha Kendler and Glenn Schrubbe moved and seconded to recommend the budget as presented with the reduction in the Health Reimbursement Account by the \$3,300 to meet the levy limit. Motion carried 5-0. The budget will be published and available for public review. The approval will be included on the Village Board agenda in November after a public hearing at that meeting.

## **Other Business**

No other business transpired.

## **Adjournment**

Glen Porter and Patty Kujawa moved and seconded to adjourn at 8:20pm. Motion carried.

Respectfully,  
Monica L. Hughes