

VILLAGE OF ELM GROVE

13600 Juneau Boulevard
Elm Grove, WI 53122

FINANCE COMMITTEE

Capital Budget Workshop
Thursday August 24, 2023 * 7:30 AM * Park View Room

AGENDA

1. Call meeting to order.
2. Discussion of proposed capital budget 2024-2028
[2024-2028 proposed capital budget 8.24.23 draft](#)

Documents:

[*Memo - budget meeting 8.24.23.pdf*](#)

3. Adjournment

Any person who has a qualifying disability as defined by the Americans with Disabilities Act who requires that the meeting or materials for the meeting has to be in an accessible location or format must contact the Village Clerk, Michelle Luedtke, at 262-782-6700 or 13600 Juneau Boulevard by 3:00 PM Friday prior to the meeting so that any necessary arrangements can be made to accommodate your request.

NOTICE: It is possible that members of, and possibly a quorum of, other governmental bodies of the Village may be in attendance at the above stated meeting to gather information. No action will be taken by any governmental body at the above stated meeting other than the governmental body specifically referred to in the above notice

Memo

August 18, 2023

To: Finance Committee and Village Trustees

From: Tom Harrigan and Monica Hughes

RE: Five Year Capital Budget for Years 2024-2028

Capital Fund Budget

Attached is the proposed five year capital budget for discussion at the workshop on Thursday August 24, 2023. Department heads will be present to discuss their individual budgets and answer questions.

The budget has been prepared evaluating the needs for the next 5 years. The village procedure is to include capital items (those greater than \$5,000 and with a life greater than 1 year) in the budget in the fifth year which allows financing at 20% over a 5 year period. Some equipment items/projects are moved in the cycle as needed due to changing conditions, breakage, or village board/committee direction. Also included in the budget is funding for new equipment in the upcoming year. New equipment is considered to be items in value of \$1000-\$5000 and life greater than 1 year. The village began including new equipment in the capital budget 3 years ago. As in past year's an additional amount (\$50,000) is budgeted for future fire truck replacement needs. This is the same level as last year.

The current budget includes a tax levy of \$586,395, an increase from 2023 levy of \$8,395. The current budget includes \$5.3 million in capital needs offset by estimated revenues other than tax levy of \$1.5 million. The Village has seen some substantial increases in the costs of equipment/projects that were in the budget from previous years. At the same time we are experiencing positive interest earnings on our funds so have projected \$75,000 per year which we have not been able to do in recent years. This was estimated at 5% on average funds of \$1,500,000.

The current budget includes a fire truck recommended for 2028 at \$700,000 but it would be purchased using the funds the Village has been setting aside for that purpose so there would be no effect on the tax levy by planning for this in 2028. In light of the fact that the Village is considering a long-term path for our fire and EMS departments, including this is prudent for maintaining our department as is or transitioning to a different option. An ambulance is also included in 2028 at the recommendation of EMS Director, Dr. Jon Robinson.

The police department has removed a number of items from future year's capital plans as it sees many of its vendors moving from the sale of equipment to a lease program which includes maintenance. As the public safety technology expands, we believe this is beneficial for a community our size, as it allows up to date equipment with the responsibility for maintenance handled with others trained specifically for the equipment. New vendors are entering the market and offering equipment on a single platform

which will also simplify technology operations. With the vacancy we have had in our IT manager position for 2 years, the importance of this has been demonstrated.

Last year's capital budget proposed borrowing \$185,000 in 2025 to fund public works capital needs that year. This was proposed as a needed funding method to support requests. Staff has removed this item due to the fact that the required levy is in line with past years. We borrowed funds from the State Trust Fund Loan program in 2020 to purchase a DPW excavator and the final payment will be made in 2025. The tax levy was increased to support these payments. This second borrowing would have continued that funding and can be reconsidered if needed, but the Village may choose to borrow for a larger project outside of capital such as to meet a transportation need.

Staff has been working on the budget for the past months and reviewed proposed items closely in an effort to determine what should be expected in the next 5 years. The current draft supports equipment that is needed to continue services efficiently and projects that the village has prioritized. At the August meeting department heads will discuss the items included. As we develop the operating budget and meet in October we will again look at the capital items and the overall Village needs and tax levy.