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Village of Elm Grove
Finance and Licensing
Budget Workshop
October 27, 2022

Present: Jim Koleski, John Schindler, Tom Shepherd, Glenn Schrubbe, Ben Haas and Tom Michalski.
Also Present: Staff members-Monica Hughes, Dave De Angelis, Richard Paul, Jr., and Katherine Gehl.
EMS Director Dr. Jon Robinson and Sue Robinson

Jim Koleski called the meeting to order at 7:05 pm

Budget Discussion

EMS

The meeting began with a discussion of the EMS budget. Monica Hughes reviewed the budget draft and Dr. Robinson answered questions about the department's operations and the budget amounts requested. The committee was updated on the ARPA grant awarded to the department from the State. The State of Wisconsin designated additional funds to support municipal EMS department needs. Dr. Robinson submitted the request and was recently notified of an award of \$130,000. These funds can be used for additional pay to maintain and recruit members, equipment and training. Staff indicated that it may be appropriate to use \$100,000 of this award to help fund the additional budgeted paid on call wages. The committee discussed the requested additional funds to enhance the current Paid on Call program. Dr. Robinson described the current system and the challenges to staff the department. The additional pay is proposed to help attract new members and encourage current members to commit to additional time. It was noted this is considered a short term solution and that the Village has an Ad Hoc committee that is reviewing more long term options.

Sewer

Monica Hughes reviewed the sewer budget noting that the largest expenses are to Milwaukee Metropolitan Sewage District for capital (\$1,297,500) and user charges (\$450,000). Additional budgeted expenditures are for the maintenance of sewers within the Village. The sewer budget is supported by user fees and tax levy. The current budget includes a levy of \$550,000, the same as the prior year. It also includes user fees to both residential and metered commercial properties. The current proposed residential fee is \$580.20, an increase of \$21.70 or 3.89% over last year. Staff noted that in 2023 there are budgeted expenditures for installation of standard meters in commercial properties. Currently owners have numerous different models and are reporting readings quarterly with very sporadic results. Staff is recommending a standard meter be used with the ability to be remotely read. This project was begun in 2022 but due to staff turnover it has been postponed until 2023. Commercial properties would be given the meter and then billed over a period of time (not yet determined) on their quarterly billing for reimbursement of the costs.

Stormwater

Monica Hughes reviewed the stormwater budget noting its implementation when the Village undertook the large flood management project in the mid-2000s. At that time the Village created a stormwater utility fee to help fund the repayment of debt issued for the project. This utility fee was designed to rise annually by 1%. Staff noted that this cannot be increased further without a corresponding reduction in the tax levy per state statute. The fund is also supported by tax levy and a transfer from the sewer fund of \$100,000. The fund also includes a transfer of public works employee time and benefit costs for the work done on the stormwater system. The current year included a number of large projects that involved public works employee time, including work on Watertown Plank Road in conjunction with the paving and replacement of a large culvert on Shadow Lawn. The department monitors their time and the costs are transferred. This fund also includes a number of large projects; the One Hour Martinizing property was purchased as a step towards creek daylighting

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and a creek stabilization project has begun this fall. Both of these projects are partially supported by grants. It was noted that the final payment on the debt for the flood management project will be made in 2025. After that time, stormwater utility user fees will be available. Staff also noted that the Village has been working to daylight the Underwood Creek in the downtown as was initially recommended as part of the project and supported by the DNR. The Village is looking to amend the current TIF #2 to also help fund this project.

Debt

The Village currently has 3 outstanding debt issues and this fund budgets for the revenue and the principle and interest payments required for the upcoming year. Revenue sources are tax levy dollars and transfers from both the stormwater and TIF #2 fund. As of the end of 2022 the principle outstanding on these issues will be \$4.9 million. The fund currently has advanced \$850,000 to TIF #2 and expects to be repaid by 2028 at which time those funds will be available. It was also noted that the Village has other liabilities that are not included in debt service or in government financial statements but are recorded at year end in the government-wide statements per accounting standards. These liabilities are for compensated absences to employees and health insurance to a former police officer who is disabled. Expenses for recognized in current year operations. The committee noted that the compensated balance policies should be reviewed by the administrative committee in the future.

TIF #2

This TIF was created to pay for part of the flood management project and was amended in 2012 to assist with the development of the Heritage Senior Living property. The TIF supports the payment on the bonds issued for flood management, the limited municipal water system, and a PayGo obligation to the owners of the Heritage. It is estimated that the final payment on the PayGo will be in 2024, the final payment on the bonds will be in 2025 and then the increment can be used to pay back the advance made from other funds, with an expected completion in 2028. It was noted that Village has the ability to ask for an extension to the life of the TIF and is considering an amendment as noted previously to help fund the creek daylighting.

ARPA Fund

The committee reviewed the current projects approved using the funds for 2022. Staff also discussed using some of the remaining funds to support a number of items in the capital budget thus reduced the needed capital tax levy for 2023. The committee noted that if the projects were supported by the ARPA funding the Village would have approximately \$75,000 remaining. Notice of additional grant funding was just received by the EMS department which is recommended to be used for the additional paid on call dollars needed and EMS equipment. This would meet the grant stipulations.

Transportation Fund

The committee discussed the transportation fund noting at the current time there are no expenditures budgeted for 2023. The Village currently is waiting to hear from the State if we will be awarded a grant to assist with the reconstruction of Gebhardt Road including a pathway and reconfiguration of the intersection at Highland. The Village also has a referendum question on the November ballot for citizen approval of the project due to the cost. It is anticipated that we will not have these decisions until after the budget is published for public comment. It is anticipated that the public works committee will review the results and if the Gebhardt project is not moving forward as designed, identify project priorities for 2023 and the budget will be amended. The budget does include tax levy revenue of \$550,000 which the Village has planned to levy each year for transportation. Committee members also felt it important to note that during 2022, pathway funds of \$233,000 were transferred into the transportation budget from capital and that in 2023 \$240,000 of bridge funding will be transferred. In the future roads, pathways, and bridges will be supported through the transportation fund. Staff also noted that the cost of the Gebhardt Road bridge replacement has come back much

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higher than originally estimated. The City of Brookfield is coordinating this project but the Village is responsible for 50% of the project costs. The public works committee voted at its recent meeting to inform the City of Brookfield that Elm Grove does support moving forward with this project currently.

Other Business

Staff updated the committee on the changed health insurance renewal. The budget included a 10% increase, the Village originally received a 17.4% increase, but late today received notice that it is an increase of 3.9%. This will provide some budget savings. Staff is still reviewing the quote and dollar savings expected. The insurance continues the same plan as we have currently with a small change to prescription copays, an adjustment in the renewal given by United and also a premium holiday equal to ½ month's premium.

Adjournment

Glenn Schrubbe and Ben Haas moved and seconded to adjourn at 9:02 pm. Motion carried.

Respectfully,

Monica L. Hughes