

Approved 10/24/23

Village of Elm Grove
Finance and Licensing
Budget Workshop
October 5, 2023

Present: Jim Koleski, John Schindler, Rusty Zosel, Ben Haas. Glenn Schrubbe arrived at 6:50pm. Tom Shepherd was absent

Also Present: Staff members-Monica Hughes, Tom Harrigan, Katherine Gehl, Richard Paul, Jr., and Brian Naylor

Jim Koleski called the meeting to order at 6:30 pm

Review and Discussion of 2024 draft budget

Staff has developed a draft budget for 2024 operations which was distributed to committee members and posted on the Village web-site for review during the October workshops. The budget included a memo from staff introducing the budget and identifying a number of points within the budget to help clarify the items included and their impact. Monica Hughes discussed the memo reviewed the tax levy and fees. It was noted that the current budget continues to fund operations and the identified projects and/or capital requested by department heads, Village committees, and Village Board. The levy required by this draft is \$7.8 million which is \$163,834 above the state levy limits. As the budget is review in detail, Monica Hughes noted the committee should take this into consideration.

It was noted that no wage increases for individuals are included at this time but the contingency funds are \$150,000 more than 2023 and will be available for allocation to specific departments when the Board approves 2024 increases. The police department budget includes an additional officer position which the Police Chief will be bringing the request and supporting information to the Administration and Personnel Committee in October and to next week's budget workshop for further discussion. The library wages include market adjustments for current staff positions as it has been identified that their wage scale is below surrounding communities in our marketplace. It is anticipated that these market increases can be funded in 2024 with library funds available from current year savings, so there is no impact to the 2024 levy. The library has also expressed a need for additional personnel but at this point this is not included in the budget. The committee noted the large percentage of the budget required for personnel costs. Staff also updated the committee that the budget includes a 10% estimated increase to health insurance. We will not have a final number from our current provider until late October but our broker has told us that it may be as high as 20%. We will be talking with the broker next week about options in plan design and carriers. The committee emphasized the need to evaluate our current program and explore cost saving options.

Monica Hughes also discussed the user fees included in the budget which include sewer, stormwater and garbage/recycling. She noted the fees are budgeted to increase by \$10.83 which includes a \$4.55 decrease to garbage/recycling. The committee questioned the decrease which is the result mainly of a budgeted recycling rebate in 2024 from the County. The Village had received this rebate in 2023 after a number of years of no rebates. The committee questioned budgeting for this rebate considering there is not at least a 3 year history of receiving. Committee suggested that perhaps the fee should remain the same as the prior year and the Village monitor this rebate program.

The committee then reviewed the summary pages of the budget noting the levy in comparison to prior years, the change in property values, the average home value and estimated effect of the levy and user fees. The committee discussed the increase in shared revenue from the state but also the significant

loss in the expenditure restraint program funds. Monica Hughes explained the qualifications of the program and noted that the Village will probably not qualify next year as our equalized tax rate will drop below the minimum of \$5 per \$1,000 in property value. This is caused by the large increase in property values compared to small tax levy increases.

General Fund Revenues

The committee review the individual revenue lines included in the general fund. These included the transportation aids and personal property aid in addition to the shared revenue and expenditure restraint. Police fines/forfeitures were discuss with the committee questioning if there is a quantifiable number of revenue dollars that can be identified per officer and if the additional officer would have an effect that should be included in the 2024 revenue. Also it was questioned if we have the ability to cover court costs in addition to fines. Committee also questioned license fees and if there is opportunity to increase licenses in a market of increasing costs or are they defined by the state. Staff will look into this. Recreation revenue will be discussed at next week's meeting under that department's budget review.

General Government Expenditures

Monica Hughes reviewed the expenditure requests for 2024 noting additional election costs due to 4 elections including a presidential as compared to 2 smaller elections in 2023. Also noted was additional computer support included in the 2023 expenses due to an unfilled position of IT manager for almost 2 years. The Village has been using contracted services to assist staff and these costs are included in the general government budget. The wage costs for the position are included in the police budget so there was a saving on the position in 2023. The position is now filled. Also noted was that the way the insurance is billed has changed. We have a reduction in our general liability but an increase in public officials, for a net change of \$3400. The committee noted that the expenditure budget is expected to be over for 2023. Monica Hughes explained that was mainly coming from the payout for 2 employees who resigned for approximately \$60,000 and the computer support mentioned previously for \$50,000.

Inspections

The cost of inspections was reviewed with staff noting that we contract with Safebuilt for this service. The Village pays 65% of fees for residential permits and 85% for commercial. An estimate for the SSND development has been included in 2023 as they are currently being submitted and approved, but staff expects a more accurate number within the next month.

Public Works

Richard Paul, Public Works Director, was present to discuss his budget. It was noted that overtime for 2023 was higher than past years and the 2024 budget. Committee members questioned if the 2024 number should be increased. Monica Hughes noted that historically most department members prefer to take additional time off rather than be paid for the overtime. The 2023 payment was for payout of accumulated comp hours for an individual who retired. Richard Paul noted that he segregated signs and line painting. Due to the increasing costs of line painting he is requesting additional funds to adequately maintain the roads. The committee also discussed his current software and his plan to look for a more robust program that meets his needs. That is expected to also have an increased cost which is reflected in the budget.

Solid Waste

This budget includes the costs of personnel at the Village yard, DPW time for brush pickup and mulch delivery, John's Disposal services and brush disposal. Our contract with John's will increase by 3.5% as limited in the current contract. The Village sets a user fee for all residential customer to try and cover these budgeted costs. It was noted earlier in the discussion that staff used the budgeted recycling

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rebate to reduce the residential costs. The Village received this rebate in 2023 for the first time in quite a few years. The committee expressed concern on reflecting this in the fee calculation.

Forestry

The Forestry budget was presented which reflected a small increase of \$3000 but a shift within expenditure lines as the department addresses current need/projects.

Capital

There was a short discussion with Richard Paul on the capital budget and his items. The concern of the committee is the accuracy of the costs for equipment/projects. It was noted that in this time of rising costs it is hard to plan for future years. Richard Paul reported that he had obtained quotes on his items this summer and cost increases were included in the draft. He spoke to the vendors specifically emphasizing a need for an accurate estimate.

There was general discussion of the interest earnings budgeted and consideration given to increasing the projected earnings for the additional funding of \$50,000 that the Village is setting aside for future fire truck purchases. An increased project would reflect the growing funds and reduce the needed dollars in the future for capital.

There was also discussion on the \$30,000 in future years for new equipment and a 2024 budget of \$24,720. Specific items have been identified in 2024 while an estimate has been used for future years. Consideration could be given to using an estimate of \$25,000 per year. Staff does not feel there is a good history reflecting the needs as this was often an area where items were removed/postponed as the Village tried to manage available funds.

A third item brought forward by the committee is the Village Board's interest in a Downtown Master Plan noting this is not currently in the budget. If this is needed it will need to be added in the year the Village expects to move forward with the study. This will add to the levy needed.

Staff also noted that at this point the basketball court reconstruction is currently included at \$36,000. A recent quote was received for \$60,000 and we are still waiting on a second vendor. The desired project was expanded by the recreation committee compared to a bid received earlier this year. Staff noted that the funding for this project will be insufficient if the quoted cost is \$60,000 and additional levy will be needed.

Other Business

No other business. Due to scheduling conflicts for some members, the October 19th workshop will be cancelled and the regular Finance meeting on Tuesday October 24th will begin at 5pm to allow the budget workshop items to be reviewed and discussed at that time. There will also be a scheduled workshop on Thursday November 2nd at 6:30pm for a final discussion.

Adjournment

John Schindler and Glenn Schrubbe moved and seconded to adjourn at 8:50 pm. Motion carried.

Respectfully,
Monica Hughes