

Draft

Village of Elm Grove Finance and Licensing

October 14, 2021

Present: Glenn Schrubbe, George Haas, Ben Haas, Martha Kendler. Pat Kressin joined via Zoom
Also Present: Staff members-Monica Hughes, Dave De Angelis, and Jerod Mikkelsen.

Mr. Haas called the meeting to order at 7:005pm

Discussion of 2022 Budget

Monica Hughes began the discussion reviewing the memo that was included with the budget. The memo provided a summary of the areas, changes compared to prior years and the required tax levy. Ms. Hughes noted that the proposed budget continues the current services and operations. The levy required to meet these obligations includes a levy increase of \$7,444,435, an increase of \$141,024 or 1.93% over the prior year and within the state levy limit requirements. The tax rate per \$1,000 remains unchanged as the assessed value increased by the same percentage. The memo included a summary of the changes to the tax levy by the Village's different funds. There was discussion of the new transportation fund to address the road system and the levy funding of this priority area for the Village in upcoming years. The committee reviewed the increase to the sewer charge as less support will be received through the tax levy.

Ms. Hughes reviewed the summary pages included in the budget which provided historical comparison of the levy and changes to operating expenses by department. The wage and benefit summary pages provided additional information on this substantial expense area of the budget. Wages and benefits are budgeted at \$5,469,435 which includes an estimated 10% increase to health insurance but no funding for increases to employee wages for 2022. An additional \$100,000 is included in contingency to fund employee wage increases when approved by the board. Committee members asked for more visual presentation of the Village's financial operations and budgeting in the future, believing this will provide residents an easier method to familiarize themselves with Village operations.

General Fund Revenues

The revenues budgeted in the general fund were reviewed noting little change to the intergovernmental revenue compared to the current year but the decline compared to 2018. The court fine revenue is budgeted lower reflecting current levels and that it is dependent on police staffing. The solid waste user fee is set to provide funding for all solid waste expenses including John's Disposal, brush pickup and the yard waste facility. Commercial revenue includes very little interest earning, representative of the current conditions.

Recreation Department

The committee then reviewed the recreation department budget. Recreation Director, Jerod Mikkelsen, was present to discuss his budget which includes both revenue and expenditures. There was discussion of the Village's net cost to operate the department and how user fees are determined. The committee emphasized that the fees should be review and that staff should try to cover the department costs that are incurred to provide a class/program. The committee discussed the operations noting that all costs are not directly associated to a class or activity and that the department provides a benefit to the general public. Staff will be evaluating programs to be offered and fees prior to the spring/summer season and make adjustments accordingly. It was also noted that the capital budget includes \$40,000 in funding to make improvements to the poolhouse changing areas and bathrooms in response to public requests during the past summer season.

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General Government Expenditures

The expenses classified under general government were reviewed. It was noted that the election budget includes staffing for 4 elections in 2022 and includes a recommendation to increase the pay for election workers. The wage line has been reduced to offset the change in procedure and costs for tax collection which will now be handled by Waukesha County. Legal expense includes an additional \$15,000 in 2022 to reflect our actual history of expenditures and insurance is increased for the addition of cyber security coverage and increased workers compensation.

Inspections

The inspection budget was reviewed noting that it directly correlates to the budgeted revenues. The Village contracts with SafeBuilt and pays them a percentage of revenue for the inspection services. There is no additional revenue or expense included for the possible development at the SSND site as this project has not been approved.

Public Works

Public Works Director, Richard Paul Jr., was unable to attend. Ms. Hughes and Mr. De Angelis reviewed the public works budget areas with the committee. The public works budget wages reflect the current employees and pay rates after a recent retirement of long-time employee during 2021. A number of small increases are included for purchase of barricades and training costs. The consulting line was discussed which includes outside engineering costs for assistance on current projects or those being considered and directed by board or a committee.

Solid Waste

The solid waste budget was reviewed noting the largest expense is to our contractor, John's Disposal. We are under a current contract with them that allows for an annual increase, maximum +2.65%. The contract will expire on 3/31/22 and the Village has the ability to extend for an additional 3 years. Other costs are for employee time and expense of operating the yard and the brush pickup service offered. The solid waste fee on the tax bill covers these expenditures.

Forestry

The only change to the forestry budget is the reallocation of dollars to specific lines per the recommendation of the forester.

Sewer

The sewer budget was reviewed noting the charges to MMSD for both the capital charge and user fees. The budget includes 2 projects for 2022; the paving of the sewer access road on the east side of Elm Grove Road and the installation of a commercial meter system. It was noted that per MMSD the 2022 operating costs will increase 6.4% and the levy for the capital charge increased 3%. The user fee is set to cover the revenue needed to cover the expenditures of this budget. Some tax levy dollars are allocated to the sewer fund, for 2022 the levy is \$550,000, which reduces the amount of the user fee needed.

Stormwater

The stormwater budget was reviewed noting the user fee increase of 1% as per the schedule, the debt payment obligations which will be completed in 2025 and the delayed construction of the Underwood Creek Stabilization project until 2022.

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Capital

Monica Hughes reviewed the 3 changes to the previously reviewed capital budget which reduced the needed capital levy and helped bring the budget into levy compliance. The 2 EMS pieces of equipment will be removed from the capital fund and financed through funds available within the EMS fund from prior years. The budget included 2 pieces of public works equipment to be purchased in 2022; the front end loader and P-loader. Both of these pieces are partially funded through the solid waste fee as they are primarily used for brush pickup and yard waste. Staff is recommending advancing the next 2 years user fees from the capital fund to purchase this equipment without additional levy dollars. By making these 3 changes it allowed the reduction of the tax levy by \$63,550, which has been incorporated in this draft. Public works also has the opportunity to purchase a loader this year (2021) which is addressed below.

Review and Act on Public Works request to purchase front end loader in 2021 from capital fund

Richard Paul Jr is requesting the approval to purchase a front end loader in 2021 that is scheduled for replacement in 2022. A Hyundai model is available from a local vendor at a cost of \$150,000 well below the other models that have been looked at (\$190,000 and up). The vendor will also give us a trade in value on our current loader of \$25,000 and we will not incur the necessary repair costs of \$8,000-\$10,000 to continue operating until 2022. Staff has reviewed and the loader could be purchased with funds on hand in the capital and by advancing 2 years of user fees to be collected through the solid waste fee. Ms. Kendler and Mr. Ben Haas moved and seconded to recommend approval. Motion carried.

Other Business

Ms. Hughes reminded the committee that the next budget workshop will be next Tuesday October 19, 2022 at 7pm.

Adjournment

George Haas and Ben Haas moved and seconded to adjourn at 9:20 pm. Motion carried.

Respectfully,
Monica L. Hughes