

# *Draft*

**Village of Elm Grove  
Finance and Licensing  
Operating Budget Workshop  
October 17, 2019**

Present: George Haas, Martha Kendler, Jeff Behring, and Glenn Schrubbe. Pat Kressin and Kim Irwin were absent

Also Present: Monica Hughes, Dave De Angelis, Bill Selzer, Jim Gage, Sarah Muench, Richard Paul Jr., Jerod Mikkelsen, Tom Harrigan, Jon Robinson, Mary Stredni, and Bonnie Klamik of the Library Board.

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

## **Discussion of Budget**

Dave De Angelis gave a summary of the proposed budget noting that the memo included with the draft tried to point out the major pieces of the current budget. He noted that the overall budget continues to provide the same service levels as the current year, the state levy constraints allowed an increase to the levy of only \$25,590 and that currently the budget is over the state levels by approximately \$122,000. The current levy is an increase of 4.18% which includes the allowed adjustment for debt obligation on the recently issued bonds. He also noted that the budget includes a 10% increase to healthcare costs. The village just received its renewal from United Healthcare with a 12% increase. We will be discussing with them and hopefully can reduce this rate, at the same time we will be looking at other options in the marketplace and self-funding. Mr. De Angelis reviewed the village's use of high deductible plans and a health reimbursement arrangement. This has provided substantial premium savings over the years while basically self-funding initial healthcare costs. The committee then moved into discussing individual department budgets.

## **Library and Library Gift Funds**

Sarah Muench, library director, presented her budget. It was noted there were small increases to materials, \$1275 and other expenditures, \$1510. The miscellaneous revenue line was clarified for the committee that it is the total of all collections within the library; fines, copies, computer print, lost materials, library cards. A number of committee members questioned the expenditure increase since the village must reduce the budget to meet levy limits. Committee members asked Ms. Muench what areas could be reduced to create a budget with 0% increase. There was discussion but it was concluded that committee should continue with other department reviews but department heads should be considering where reductions could be taken prior to final budget.

The library gift fund was reviewed, staff noting that we do not budget for this area as it is supported by donations and controlled by the library board. It was noted that substantial support has been given annually to the library which helps provide materials and programming. The main support comes from the Friends of the Elm Grove Library and their two main fundraising efforts; Lights of Love and the Used Book Sale.

## **Emergency Medical Service**

Jon Robinson, EMS director, presented the department budget. It was noted that the levy to support this department has increased mainly due to 2 factors. The ambulance revenue is being budgeted \$10,000 less than this year which reflects the current year estimate at this time. The department has seen less collection with increasing population covered by Medicare, which limits the payments for service. Fees are review and adjusted annually if appropriate. The second item is an increase in Paid On Call wages of \$9500. Dr Robinson will be proposing a change to the POC wage schedule to incentivize coverage during the day. The department has a limited number of people available that handle most of the daytime calls. The cost of medical supplies continues to increase with limited

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reimbursement. Dr Robinson will evaluate the medical supplies used and POC for additional savings/reduction.

## **Fire**

Bill Selzer, fire chief, presented the fire department budget noting a reduction of paid on call wages. The reduction reflects the liability for 2018 calls and the estimate for 2019. This number is always dependent on our call volume. Committee asked about mutual aid. Chief Selzer stated that we have agreements with surrounding departments. We may request aid 2-3 times a year but our department also covers about 25 calls to other agencies. We do not receive any reimbursement nor owe any reimbursement for mutual aid. Chief Selzer also identified the challenge the department has for members. They are always seeking additional members and would encourage local resident to become part of the department. The fire budget has a 2.8% reduction due to the reduced on call wages budgeted.

## **Municipal Court**

Jim Gage, police chief, presented the budget. The budget contains 3 main costs, wages for the elected municipal judges, wages for police personnel who assist with court functions, and outside legal fees for prosecution of cases that come to court. The judge received a salary increase in May approved by the village board after many years with no change. Legal fees are increasing as attorney's fees and court time increase. We receive a monthly billing of actual hours of attorney work.

## **Dispatch**

Jim Gage also presented the dispatch budget. Committee members questioned where the overtime costs come from. It was noted that the department had an open position during the year and also a new employee who was in training. This results in overtime for the limited staff. There is also daily overtime to cover shift transition. The budget also includes communication costs for the village's emergency response departments. ProPhoenix is our police department software that integrates ticketing, record keeping, court and cameras. The account line also included a quarterly charge to the state for Badgernet. This has been reduced in recent years. At the same time the village joined with Muskego and Mukwonago on a new 911 system. We have annual maintenance costs with this system beginning in 2017.

## **Police**

Jim Gage presented the budget. He noted that the department has had numerous people off this year on family leave and also 2 officers resigned. This has left them short staffed and forced a large number of overtime hours. Two new officers were recently hired but are in training, currently the department is operating with 4 uncovered positions. In past years we have seen officers take comp time instead of being paid out for overtime but with staff shortages this can't be accommodated as reflected in the current year expected cost. The healthcare increase is greater than 10% due to the employee coverage levels. We have seen a shift from single to family coverage. Committee members also questioned the increase in retirement expense. The village participated in the Wisconsin Retirement program and there will be an increase in the percentage due for police officers in 2020. The system evaluates its position annually and contribution levels are changed as needed. The village has no control over this percentage.

## **Recreation**

Jerod Mikkelsen, recreation director, presented the budget. He started with a review of the estimated revenues noting an increase in pool admission and pool rental. Work has begun on the splashpad and with the enhanced facilities a slight increase in admission will be proposed and also higher attendance levels are expected. It is his intention to review all programs and work to find new programs that will generate excitement and increase attendance. He will be reviewing the costs associated with each

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program with the continued idea that no program should cost the village in operating expenses. An increase is budgeted to the tennis court rental to reflect additional usage by the local high schools which pay for hourly use for their teams. An increase in software expense is included in the budget for the department to change to the Civic Plus system which will provide additional enhancements to better serve users and staff.

### **General Fund Revenue**

Monica Hughes reviewed the general fund revenue sources. The intergovernmental category reflects aid received from other government agencies- mainly the state of Wisconsin. The revenue from ongoing programs has remained constant. A new aid expected in 2020 will be reimbursement from the state from the reduction in our cable franchise fee that we receive from cable providers within the village. The fee is being reduced by .5% and reimbursed by the state. The village has historically received a recycling rebate from the county. In past years it has been over \$50,000. In 2019 it was reduced to \$11,000 and is expected to continue at that level or lower in future years. This has caused a major shortfall in the general fund revenue for 2019 and 2020.

Permit revenue is expected to be higher than budgeted in 2019 to reflect the permit and associated expense for the Horizon development. The 2020 budget does not reflect that level of permits. The village also charges for services the main one being garbage/recycling fee. The village contracts with John's Disposal and maintains a yard waste facility. The fee is set annually to cover the budgeted costs in the solid waste expenditure budget. Commercial revenues include interest earnings on our available funds, cell tower lease and cable franchise fee. In past years we have received a dividend from our insurance but this is dependent on the trust's annual results so it has not been our practice to budget for this dividend.

### **General Government Expenditures**

Monica Hughes presented the budget. The committee discussed a number of items with staff providing additional information to members. It was noted that elections are budgeted for 4 in the upcoming year, including a presidential, assessor services are contracted with Brookfield and include an annual increase, the GIS in our information mapping system used continually. Legal fees are above budget this year due to a number of personal issues that the village sought outside legal support. The current budget includes \$15,000 for deer management. Committee members questioned how the program worked and if it was necessary to continue. Members suggested discontinuing. Business insurance is provided by LWMMI, the League of Wisconsin Municipalities Mutual Insurance Trust. There will be a slight increase to property coverage but the village will also see a saving in workers compensation.

### **Inspections**

The inspection budget reflects the village's cost to SafeBuilt, our contracted inspection service provider. The village pays a percentage of permit revenue to SafeBuilt. This budget reflects the expense corresponded to the estimated revenue for 2020.

### **Adjournment**

The committee will continue discussion of the remaining sections of the budget next Thursday, October 24<sup>th</sup> at 7pm.

Jeff Behring and Martha Kendler moved and seconded to adjourn at 9pm Motion carried 4-0.

Respectfully,  
Monica L. Hughes