VILLAGE OF THIENSVILLE
2018 BUDGET WORK SESSION
MINUTES

DATE: **Monday, October 2, 2017** **LOCATION:** **250 Elm Street**
Thiensville, WI 53092

TIME: **5:00 PM – 6:00 PM**
Recess and Reconvene after Committee of the Whole
Scheduled at 6:00 PM

I. CALL TO ORDER

President Mobley called the meeting to order at 5:00 PM.

II. ROLL CALL

President:	Van Mobley	
Trustees:	Kim Beck	Kenneth Kucharski
	Ronald Heinritz	David Lange
	Rob Holyoke	Elmer Prenzlow
Administrator:	Dianne Robertson	
Finance Admin./Assistant Admin.:	Colleen Landisch-Hansen	
Clerk:	Amy Langlois	
Staff:	Police Chief Scott Nicholson	
	Assistant Fire Chief Mike Barrett	
	Director of Public Works Andy LaFond (excused)	

III. REVIEW AND DISCUSSION OF THE PROPOSED YEAR 2018 BUDGET

A. Overview of the proposed budget by Administrator Robertson

The following is the budget memorandum from Dianne Robertson, Village Administrator and Colleen Landisch-Hansen, Finance Administrator/Assistant Administrator which summarizes the 2018 proposed budget.

With this memo we are distributing the following 2018 Budget draft:

- General Fund Expenditure/Revenue Summary
- Expenditure/Revenue Summary of All Funds
- Summary of General Fund Expenditures
- Major Capital Purchases Lists
- Property Value Summary
- Tax Rate Comparisons
- Fund 1 – General Fund
- Fund 6 – Fire Department Equipment Replacement Fund (Ambulance Revenue)
- Fund 7 – Park Improvement Fund
- Fund 9 – Tax Incremental District #1
- Fund 14 – Capital Project Fund
- Fund 15 – LAWDS Special Assessment Fund (Closed)
- Fund 16 – Old Village Hall Fund

- Fund 17 – Detention Pond & Madero Drainage Fund (Closed)
- Fund 18 – Pigeon Creek Fund (Closed)
- Fund 19 – Stormwater Management Fund
- Funds 51 & 52 – Special Assessment Collection Funds
- 2018 Library Funding Projection
- Shared Revenue Comparison
- Public Hearing Notice

As in the past, the General Fund budget presented complies with the State Expenditure Restraint Program. The Village Board then reviews the Capital Projects budget and Major Capital Purchases Lists of requested items to determine what can be done with the funds available. The draft that is being presented also complies with the State mandated levy cap that also allows for a miniscule "net new construction" allowance. This budget draft presented includes the "net new construction" of $7,230 as part of the 2017 levy. The Village Board does have the option to not capture this increase; however, our General Fund budget then will not capture some of the funds available through the State Expenditure Restraint Program. Since the State Expenditure Restraint Program calculation is much higher than the Net New Construction calculation, the Village's increase proposed is 1.36% vs. the allowable percentage of 2.17%. To increase the ERP to the maximum the Village would need to budget an additional $22,019 in revenue from the fund balance available. This draft does not include that additional revenue. Also, the effect on future budgets should be considered knowing that the TIF is closing in 2018 that will result in a substantial decrease to the Village's levy. For informational purposes, on this year's Tax Rate Comparison handout we calculated the projected effect on the Village's tax rate had the TIF been closed this year which shows a decrease (light green column). The comparison also assumes the capture of the estimated allowed portion of the TIF levy.

It is recommended that the Village Board consider the budget as presented (light blue column).

- **Summary Sheets & History of Rates and Assessments**

  Summary #1 is a summary by department in the General Fund from 2014 through 2018. **Summary #2** compares each fund by expenditure and revenue for 2014 through 2018. **Summary #3** is a General Fund percentage comparison by department for 2018. **Summary #11** is a comparison of assessed and equalized value for budget years 2012 through 2017. You will note that the ratio of assessed value is estimated to be 95.624%. Assessed increased by $2.5M while equalized increased by $14.5M. Thiensville's equalized value increased by 4.5%, higher than all other communities in Ozaukee County except for Village of Grafton (7.22%), City of Port Washington (4.64%) and Town of Cedarburg (5.06%).
  Summary #12 is a tax rate comparison for calendar years 2013 through 2018. In the lower right corner you will note the Village equalized value comparison. The 2018 line items are not complete until the levy information is received by the other taxing authorities. We have completed Thiensville's based on the proposed budget, the equalized tax rate is $7.44 compared to the assessed tax rate of $7.78. This is down a little less than $0.03 per thousand.

- **Shared Revenue Comparison** This is a detailed list of Shared Revenue received from the State of Wisconsin from 1986 through the projected 2018. To date the 2018 Highway Aids has not been released. Any change to the projected revenue for the Highway Aids will be a direct increase or decrease of the budgeted use of Fund Balance.

- **Public Hearing Notice** This is the draft Public Hearing Notice. The date suggested is Monday November 6th at 6PM. This is published at least 15 days prior to the public hearing, on October 19th.

- **<u>Major Purchases – Detail List</u>** **(Summaries 4-10)** This section is a detailed list of capital purchases by each department. The goal is to maintain the bottom line budget allocation while the Village Board determines which projects to fund. We have made some suggested changes to bring the bottom line to the total needed. The final changes are the decisions of the Village Board.

- **<u>Fund #1</u>** There is a proposed levy increase of .33%, $7,230 for the entire budget. There is a projected decrease of 0.09% in State Shared Revenue for 2018 and we have estimated a flat revenue for Highway Aids. Thiensville will hopefully realize an increase resulting from the recent Main Street expenses that were reported. Part of the State budget reflects road revenue distribution relating to the miles of highways and the money spent to maintain them. When you increase expenditures on roads the revenue typically increases in a similar manner.

  There is an increase in parking fines and a proposed cell tower lease payment. The interest income budget is budgeted at $33,000, which I believe is very achievable.

  We have continued to budget the use of fund balance in the revenue side of the budget and funds offset in contingency in the expenditure side of the budget to maintain expenditure restraint.

  The state formula forces the increase in revenue and expenditures to maintain a level of available restraint levels. In the "olden days" you could lower revenue and expenditures as circumstances dictated, which we believe is the responsible thing to do. The revenue side was decreased from $197,420 to $186,319 and the expenditure side was increased from $95,251 to $97,880. There was an increase in the Village's Worker's Compensation experience mod from 1.7% to 1.8%. That means the Village is paying 80% more in premiums had the group not had such an increase in injury experience. Employee health insurance, and wages and mainly step increases have been offset by this account.

  Salaries have been budgeted at 2% increase. On the employee benefit side, Wisconsin Retirement Fund decreased the contribution by .1% for General Employees and .1% for Protective with Social Security Employees. In like manner, all employees will pay 6.7% of the retirement premium.

  The State Health Insurance premiums had a marginal increase. In using the mandated formula for employee premium contributions, the employer premiums were reduced and the employee premiums were increased. There is a minimal increase in the dental premiums. We have reached out to other providers for a quote on health insurance. There are risks in moving from the State Health Insurance Plan, that can be detailed at the meeting.

  Worker's Compensation Insurance premium will decrease by $1,271 in 2018 only due to overall workers compensation premium rates reducing State-wide. It is interesting to note that the increase in Worker's Compensation premiums increased a total of $39,622 since 2013, almost 145%. This is not only a reflection on claims experience but also because the formula uses a 3-year window to calculate the premium. Next year a "good" year will be removed from the formula, however 2017 looks to be a good year for the experience mod.

Revenue	2017 Budget	2018 Budget	Change	%
State Shared Revenue	104,521	103,614	(907)	-0.87%
Local Transportation Aids	249,305	249,305	-	0.00%
"paper" Use of Fund Balance	197,420	186,319	(11,101)	-5.62%
Expense				
Salaries & Wages	1,212,833	1,227,736	14,903	1.23%
Fringe Benefits	580,471	602,719	22,248	3.83%
Election Expenses	2,000	4,000	2,000	100.00%
Worker's Comp Insurance	68,222	66,951	(1,271)	-1.86%
Contingency	89,251	97,880	8,629	9.67%

As you are aware, the State mandated levy limit is 0% plus a stipend for net new construction.

The General Fund draft complies with the estimated Expenditure Restraint Program. The increase in the allowable percentage is attributed to mainly the consumer price index of 1.98% plus the net new construction within the community of 0.19%. The 2.17% is our best manual estimate for the Expenditure Restraint calculation. To calculate the allowable increase you add the two pieces together (CPI + net new construction) which equal 2.17%.

In Act 20 the State of Wisconsin Legislature mandates a 0% levy limit plus net new construction for 2014, 2015, 2016 & 2017. If a community exceeds the levy limit the State will reduce the shared revenues by a like amount. Under a 0% levy limit plus net new construction the Village's 2017 levy limit will be $2,185,014 which is a $7,230 increase from the prior year. Considering the strain on the municipality to operate year after year with a 0% levy limit it is recommended that the Village Board consider capturing the slight increase of $7,230 resulting from this year's net new construction. Fortunately, in 2018 the Village is able to capture a new revenue line item, the cell tower lease.

- **Fund #6** The Fire Department Equipment Fund includes a budget line item for medical supplies, schooling and other supplies for hospital-to-hospital transports and paramedic intercepts. This is a self-supporting fund. There is no tax levy required in this fund. The fund balance for this fund is used for fire equipment replacement, as demonstrated in the recent purchase of a fire truck.

- **Fund #7** The Park Improvement Fund was a new fund in 2017. It is used for park improvement donations and expenditures.

- **Fund #9** In order to avoid the slippery slope of relying on TID revenue to reduce the tax rate, it is again proposed that the TID revenue be budgeted in the Capital Projects Fund. The 2017 transfer to the Capital Projects Fund was $779,759. For 2018 it is proposed to transfer $789,759 to the Capital Projects Fund. The Village's Capital Projects Fund will ultimately see an estimated reduction in available funding for 2018 in the amount of $217,348, which is the remaining balance of the TID revenue after the Village is fully paid for its advance. These funds will be sent to the other taxing districts of Ozaukee County, MATC and Mequon-Thiensville School District. The TID will be closed in April of 2018. In April of 2018 it will be recommended that the Village Board capture a portion of the TID Levy, anticipated to be $161,778.

- **Fund #14** The Capital Projects Fund is projected to receive a net of $573,294 from the TID Fund, $242,600 tax levy, and $60,038 in principle & interest payments for Main Street special assessments. There are a host of proposals from department heads for the Village Board to consider. The following additional item is proposed because of existing approved contract and State requirements: Property Assessment Revaluation. The remaining projects are Municipal Center roof evaluation, Village Board Room roof top HVAC, front office filing/storage replacement, police computers, equipment replacement funds, Tazer replacement, locking gun rack, crime scene canopy tent with sides, spotting scope with tripod, 2 squad laptops and docking stations, large evidence lockers, radio replacement, hose replacement, pager replacement, turnout gear, rescue rope, replace fan, replace 3 nozzles, hydro testing, emerald ash borer program, sidewalk maintenance program, pigeon creek & fish ladder maintenance, Octagon buildings/snack shack maintenance, public works yard remediation, park improvement plan, old village hall renovation, entryway feature, Main Street connection to the bike path, street closure barriers, TBA Director incentive, Buntrock Lot Improvements, Green Bay Road mill and overlay, Green Bay Road light fixture replacement and additional funds for the Freistadt Road walking path. Several departments requested items have been deferred by Staff. The Village Board can revisit these items if our assumptions differ from yours.

- **Fund #15** This fund is the result of the Laurel Acres Water Distribution System project. This fund was closed in 2014 for revenues and expenditures and is included to show prior history. It will be deleted next year.

- **Fund #16** This is the Old Village Hall Fund. This funds the utilities and improvements for the building. There is a tax levy of $3,400 for 2018.

- **Fund #17** This fund is the result of the Detention Pond & Madero Drainage project. This fund was closed in 2013 and is also included to show prior history.

- **Fund #19** There was no transfer from the TID to the Stormwater Management Fund in 2017. There is plenty work to be accomplished in the storm water area. Staff will address these issues as needed until the Capital Projects Plan has sufficient funds to do additional work.

- **Funds #51 & #52** These funds were created to make debt service payments and collect special assessments for the two water co-op construction to connect to Mequon Water Utility. These funds will expire when the special assessments are collected in full in 2024.

A special thank you to the department heads who worked with us on bringing the lean General Fund budget to completion for your review and consideration.

B. Police Department by Police Chief Scott Nicholson

Police Chief Scott Nicholson gave a brief overview of the Police Department budget requests.

Total amount of Police Department Capital Outlay is $45,100 which includes:
$2,000 Desktop Computers, $22,000 for 2 squad replacement, $3,600 for 3 tazers, $500 locking gun rack, $500 crime scene canopy tent with sides, $500 spotting scope with tripod, $10,000 for 2 squad laptops and docking stations, $1,500 large evidence lockers and $4,500 for P25 radio.

The request for desktop computers includes the installation of all the needed software.

Initially, the squad car replacement was set up as a 4-year replacement. The two current squad cars are 2015's and the unmarked squad is a 2011. There is a trade-in amount of $3,100 for the unmarked 2011 car and for the 2015 car, the trade-in amount would be about $10,000. The rough quote from Boucher Ford for 2018 squads is about $26,000 each which would leave about $14,000 left over for changeover. This money and the money made from the trade-in would allow the Department to equip all three cars. Squad 1 will be used as an unmarked car. All three Department cars would then be SUV's.

Currently, the Department has 4 tazers. Each Officer carries a tazer on duty. With this request, each Officer will have their own tazer. A locking gun rack for rifles is requested in the amount of $500. $500 is also requested for a crime scene canopy tent with sides to be used for privacy. The Department is in need of a spotting scope and tripod which totals $500.

Two squad laptops with docking stations in the amount of $10,000 are needed as the current laptops are in need of being replaced. Currently, the Department does not have a docking station and would be advantageous when on a long call.

Large evidence lockers are needed as the current lockers are quite small.

At this point Ozaukee County is going to update the radio system at their cost. Administrator Robertson shared that the County has funded two radios per community and each municipality is responsible for any repair, maintenance or loss. Creating a radio equipment fund is suggested for this purpose. Each radio is about $2,500-$3,000 each.

President Mobley inquired about the Federal government program that gives military equipment to police agencies. Chief Nicholson shared that the Department is working with the government.

Trustee Heinritz questioned if the Police Department has binoculars? Police Chief Nicholson shared that the binoculars that are currently used in the Station are his personal binoculars.

C. Fire Department by Assistant Fire Chief Mike Barrett

The total amount of Fire Department Capital Outlay is $89,140 which includes: $50,000 fire equipment replacement, $5,000 hose replacement program, $5,000 pager replacement, $20,000 turnout gear, $840 NFPA rescue rope, $3,000 electric PPV, $1,800 to replace 3 nozzles and $3,500 hydro testing.

Assistant Fire Chief Mike Barrett shared that the fire equipment replacement fund should be enough to make a purchase of equipment if the need arises. There is more equipment money available for the new fire truck in the ambulance fund. The Village's portion of the ambulance revenue is saved for equipment replacement.

Hose replacement in the amount of $5,000 is requested as it is mandated by the NFPA to annually replace hoses. Every type of hose has a different expiration date.

Pager replacement coincides with the new radio project with the County. The new pagers cost $500 each and pick up all the radio frequencies for every area municipality; the current pagers do not work in this manner.

If firefighters are not properly fitted with turnout gear, it is dangerous for their safety. The Department has some gear that is unusable at the moment. A set of turnout gear costs about $5,000.

Rescue rope is required to be only used one time during an incident; $840 is requested for the purchase of rope.

$3,000 is requested for a PPV fan. This is used to move the smoke out of an area. The Department has nozzles that need replacing, and $1,800 is requested.

Hydro testing of tanks is required in order to be sure they do not blow up when filled with air. The hydro testing makes sure they can withstand pressure; $3,500 is requested.

D. Department of Public Works by Administrator Robertson

The total amount of Department of Public Works Capital Outlay is $140,000 which includes: $20,000 vehicle replacement fund, $9,000 Emerald Ash Borer Program, $100,000 Public Works building improvement and $11,000 sidewalk maintenance program.

Administrator Robertson shared the Department of Public Works requests.

$20,000 for vehicle replacement fund is requested. There is $70,358 in reserves. $9,000 for the Emerald Ash Borer Program is requested. There is $4,130 in reserves.

The $11,000 for the sidewalk maintenance program is to be able to maintain the sidewalks as is currently done which includes grinding off the top portion so as to not replace the entire slab.

Administrator Robertson gave a brief overview of the Park Department budget requests.

The total amount of Park Department Capital Outlay is $21,000 which includes: $5,000 for annual Pigeon Creek maintenance, $1,000 for annual fishladder maintenance and $15,000 for octagon building/snack shack updates and maintenance.

The Pigeon Creek and fishladder maintenance are annual items. Also, there is a request for $15,000 in order to maintain the Park octagon buildings and snack shack.

Trustee Lange inquired as to if the Emerald Ash Borer Program is working and saving trees. Administrator Robertson shared that the treated trees are benefitting from the injections and the Program has been successful according to Director of Public Works LaFond.

E. Balance of Departments by Administrator Robertson and Finance Admin. Colleen Landisch-Hansen

Administrator Robertson gave a brief overview of the Capital Equipment and Improvement Fund requests which total $1,361,580 of which $875,932 has been approved. This includes: $50,000 contingency, $5,840 assessment revaluation, $10,000 Public Works yard remediation, $100,000 Village Park improvement plan-$50,000 for band shell and $50,000 for water feature, $50,000 entryway feature, $8,000 street closure barriers, $16,250 TBA Director, $35,500 Buntrock lot improvement, $25,000 North Main Street bike trail spur, $300,000 Green Bay Road mill and overlay, $50,000 Green Bay Road light fixture replacement and $15,000 for Freistadt Road pedestrian path.

The $5,840 is for the last year of paying for the assessment revaluation. The Public Works yard remediation request is $10,000. There is $10,000 in reserves. $100,000 is requested for Park improvements to be used for the water feature and band shell.

As far as the old village hall renovations, there is $30,000 in reserves. Mr. Palubiski is still interesting in occupying the upper level of the old village hall.

The entryway feature is proposed at $50,000. Street closure barriers are requested in the amount of $8,000. The TBA grant is $16,250.

Improvements anticipated for the Buntrock parking lot total $35,500 and include a shade structure, paving, landscaping and wayfinding signs.

The amount of $25,000 is budgeted for the North Main Street bike trail spur. Prime Minister has offered to help financially with the trail.

The proposed Green Bay Road project of milling and overlay is proposed at $300,000 plus $50,000 to replace the light fixtures to match Main Street.

There is also $15,000 requested for the Freistadt Road pedestrian path.

MOTION by Trustee Prenzlow, **SECONDED** by Trustee Lange to Recess the 2018 Budget Work Session at 5:58 PM and to Reconvene after the Committee of the Whole Meeting. **MOTION CARRIED UNANIMOUSLY.**

MOTION by Trustee Beck, **SECONDED** by Trustee Heinritz to Reconvene the 2018 Budget Work Session at 7:06 PM. **MOTION CARRIED UNANIMOUSLY.**

As far as future road projects, Trustee Heinritz suggested Grand Avenue from Main Street to Green Bay Road to look at curb, gutter and resurfacing. Trustee Prenzlow would like to focus efforts on road repair and suggested working on Heidel or Woodside. President Mobley suggested including Grand Avenue and Woodside resurfacing, curb and gutter in the budget.

President Mobley is interested in beautification at the corner of Main Street and Freistadt Road. Administrator Robertson suggested a miniature version of the entryway features to match the features at North and South Main Street to be at Freistadt and River Road, update the feature near the Public Works yard on Freistadt Road and add a new one on Green Bay Road. This project is for future budgets.

Trustee Prenzlow proposed offering seed money for the water feature in the Park and would like to see maximizing donations for this project. Naming rights for a band shell is also an option. Trustee Prenzlow believes that moving forward on these projects depends on donations and should not solely be funded by the Village.

President Mobley would like to see private donations used for the Park improvements and the Village money used for road improvements but is not opposed to funding it somewhat. Trustee Prenzlow believes that not funding any of the improvements will show that it is not a priority. It was decided to split $100,000 and fund $50,000 for a band shell and $50,000 for a water feature.

Trustee Heinritz shared that there is a lot of work at the Old Village Hall that needs to be completed. $30,000 is in reserves. Trustee Prenzlow believes there are other needs in the Village to spend this money on. Trustee Heinritz suggested that the Mequon-Thiensville Historical Society or the TBA could occupy this space.

President Mobley mentioned that the split rail fencing around Pigeon Creek by Boucher Food and by the parking lot owned by Tom Schmit will need to be maintained and suggested replacing it with black wrought iron, as used in other areas of the downtown.

Trustee Beck questioned using the $81,863 that is currently in reserves for the Department of Public Works building improvement fund for another project if funds are anticipated to be borrowed for a new Public Works building. Administrator Robertson shared that the reason for this reserve was not to save for the building but to be used for architectural design. President Mobley shared that these funds can be used if a project comes up short.

Trustee Beck inquired about the $270,000 in reserves for the Freistadt Road pedestrian path and believes that holding this without a commitment to the project does not make sense. Trustee Beck suggested using this for a road project. President Mobley agreed. Administrator Robertson shared that this $270,000 plus the $81,863 in reserve for the Department Public Works building could get Heidel Road from Green Bay to Park Crest completed. Director of Public Works LaFond has a road map indicating which roads need to be completed.

Trustee Heinritz stated that the bike path at the moment in not in need of repair but will in the future and should be something thought of for future budgets. The County owns the bike path, and each community is responsible for maintaining their portion.

Trustee Beck inquired if the North Main Street bike trail spur was necessary. President Mobley believes this will help the businesses on North Main Street. Administrator Robertson shared that both Fiddleheads and Port Washington State Bank have helped with the Spring Street connection. There is land between Prime Minister and Suburban Rentals, owned by Prime Minister that will be used for the bike trail spur. Prime Minister offered to help pay for this.

President Mobley suggested considering burying the power lines in front of the post office and those near Buntrock.

The grant for the TBA Executive Director position totaled $20,000 for the first year, then $15,000 and $10,000.

It was decided to move the $20,000 for storage cabinets in the front office to the Heidel Road work.

President Mobley shared that there could be opportunities for development that come along that may require funds. The Board has been very responsible with the TID money, using it for infrastructure.

President Mobley shared that if Director of Public Works LaFond looks at the anticipated road projects and Sunny Road is worse than Heidel, the worst road will be repaired first.

Administrator Robertson stated that part of Sunny Road can be indicated as an alternate when bidding Green Bay and/or Heidel Road. If storage is needed, funds can be drawn from contingency or fund balance.

Trustee Kucharski inquired as to how reassessing is completed when improvements are made to a residence. Every year around March, the Assessor comes to the Village Hall and gets copies of building permits, notices are sent to property owners indicating their new assessment based on the permits and then the resident can attend Board of Review if they do not agree with the new assessment.

The Budget Public Hearing will be Monday, November 6, 2017 at 6:00 PM.

IV. ADJOURNMENT

MOTION by Trustee Beck, **SECONDED** by Trustee Prenzlow to adjourn the 2018 Budget Work Session at 7:45 PM. **MOTION CARRIED UNANIMOUSLY.**

Submitted by,	Approved by,
Amy L. Langlois	Dianne S. Robertson
Amy L. Langlois	Dianne S. Robertson
Village Clerk	Administrator