VILLAGE OF THIENSVILLE
2019 BUDGET WORK SESSION
MINUTES

DATE: **Monday, October 1, 2018** **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 2019 Budget Work Session to order at 5:06 PM.

II. ROLL CALL

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

III. REVIEW AND DISCUSSION OF THE PROPOSED YEAR 2019 BUDGET

A. Overview of the proposed budget by Administrator Robertson and Finance Admin. Colleen Landisch-Hansen

The following is the budget memorandum from Colleen Landisch-Hansen, Finance Administrator/Assistant Administrator which summarizes the 2019 proposed budget.

With this memo we are distributing the following 2019 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 (Closed)
- Fund 14 – Capital Project Fund
- Fund 16 – Old Village Hall Fund
- Fund 17 – Detention Pond & Madero Drainage Fund (Closed)
- Fund 19 – Stormwater Management Fund

- Funds 51 & 52 – Special Assessment Collection Funds
- 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 "net new construction" allowance. This budget draft presented includes the "net new construction" of $19,359 and the terminated TID levy adjustment of $161,757 as part of the 2019 levy. The Village Board does have the option to not capture these increases; however, our General Fund budget then will not maximize the funds available through the State Expenditure Restraint Program.

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

  Summary #1 is a summary by department in the General Fund from 2015 through 2019. **Summary #2** compares each fund by expenditure and revenue for 2015 through 2019. **Summary #3** is a General Fund percentage comparison by department for 2019. **Summary #11** is a comparison of assessed and equalized value for budget years 2013 through 2018. You will note that the ratio of assessed value is estimated to be 90.000%. Note that the equalized value has increased at a higher rate than the assessed value. This is due to the increasing market value that we have seen from property sales in the Village over the course of 2018.
  Summary #12 is a tax rate comparison for calendar years 2014 through 2019. In the lower right corner you will note the Village equalized value comparison. The 2019 line items are not complete until the levy information is received by the other taxing authorities.
  Shared Revenue Comparison This is a detailed list of Shared Revenue received from the State of Wisconsin from 1986 through the projected 2019.
  Public Hearing Notice This is the draft Public Hearing Notice. The date suggested is Monday, November 5th at 6:00 PM. This is published at least 15 days prior to the public hearing, on October 18th.

- **Major Purchases – Detail List** **(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.

- **Fund #1** There is a projected decrease of 5.35% in State Shared Revenue for 2018 and a budget for Highway Aids is projected to remain flat. At this point this number is an estimate. 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 increases in a similar manner.

  The interest income budget is budgeted at $60,000, which is an increase of $27,000 from the 2018 budget. Interest revenue is estimated to reach about $58,000 by year end, this budget line item increased to reflect the rise in interests.

  I 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 I believe is the responsible thing to do. The revenue side was decreased from $197,420 to $180,000 and the expenditure side was decreased from $84,246 to $84,000. Increases to the Village's Worker's Compensation insurance, election expenses, employee health insurance, and wages mainly step increases have been offset by this account. As in the past, it is very difficult for a small budget like ours to take large "swings" in line items.
Salaries have been budgeted at the negotiated 2.0% increase. On the employee benefit side, Wisconsin Retirement Fund decreased the contribution by .30% for General Employees and .36% for Protective with Social Security Employees. In like manner, all employees will pay 6.55% of the retirement premium.

The State Health Insurance premiums decreased by about 3.1%. However, the Village anticipates a few employees will have a life changing event that could change their level of coverage which is reflected in the projected budget. There will be no increase to dental premiums.

Because 2018 is a gubernatorial election year, the projected election expense decreased by $3,000.

Worker's Compensation Insurance premium will decrease by $4,082 in 2019 due to our experience mod decreasing from 1.80 to 1.64.

Revenue	2018 Budget	2019 Budget	Change	%
State Shared Revenue	103,614	98,070	(5,544)	-5.35%
Local Transportation Aids	224,570	224,000	(570)	-0.25%
"paper" Use of Fund Balance	197,420	180,000	(17,420)	-8.82%
Expense				
Salaries & Wages	1,227,736	1,250,227	22,491	1.83%
Fringe Benefits	602,719	608,884	6,165	1.02%
Election Expenses	6,000	3,000	(3,000)	-50.00%
Worker's Comp Insurance	66,951	62,869	(4,082)	-6.10%
Contingency	84,246	84,000	(246)	-0.29%

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 estimate percentage allowed for 2019 is near 3.0%. The increase in the allowable percentage is attributed to mainly the consumer price index of 2.50% plus the net new construction within the community of 0.89%. The 3.0% is my 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 3.0%. The greatest reason for this increase is due to the rising CPI in 2017/2018.

In Act 20 the State of Wisconsin Legislature mandates a 0% levy limit plus net new construction since 2014. 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 2019 levy limit will be $2,360,244 which is a $175,230 increase from the prior year. The majority of this increase ($161,757) is from capturing the terminated TID adjustment. The presented draft budget includes both the terminated TID adjustment of

$161,757 and the net new construction increase of $19,359. 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 increase resulting from this year's net new construction.

- **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.

- **Fund #7** The Park Improvement Fund includes a budget line item for donations and related fundraising expenses. This is a special revenue fund with funds committed specifically for park improvement. There is no tax levy required in this fund.

- **Fund #9** This fund is the result of Tax Increment District #1. This fund closed in 2018 and is included to show prior history.

- **Fund #14** The Capital Projects Fund is projected to receive $400,000 tax levy and $55,071 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 items are requested to be budgeted: main entrance/front office security & reception upgrades, village-wide security camera additions, equipment replacement funds, (2) police station computers, (3) pepper ball pistols, fast ID hand held, (2) squad headrest printers, thermal camera, (2) ballistic shields, radio reserves, hose replacement, pager replacement, tire replacements, apparatus bay floor repair/replacement, hydro testing scba phase #2, vehicle replacement, garbage truck & cushmans replacement reserve, emerald ash borer program, DPW building reserve, tennis court light replacement, tennis court resurfacing, North Main Street bike trail spur, road program reserve, (2) entryway features on Freistadt and Green Bay, and storm sewer reserve. Some department requested items have been deferred by Staff, but the Village Board can revisit these items if our assumptions differ from yours. (Please see the detailed department purchases list.)

- **Fund #16** This is the Old Village Hall Fund. This funds the utilities and improvements for the building. There is a tax levy of $3,000 for 2019.

- **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** This is the Stormwater Management Fund. This funds stormwater improvements for the Village. There is a tax levy of $40,000 for 2019.

- **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 me 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 $38,900 which includes:
$2,400 for two station computers, $22,000 for 2 squad replacement (2 of 4 year), $3,000 for 3 pepper ball pistols, $2,500 for fast ID hand held, $1,500 for 2 squad head rest printers, $1,000 for thermal camera, $3,000 for 2 ballistic shields and $3,500 for P25 radio.

Police Chief Nicholson is requesting replacement of two computers within the Police Department. One is the squad room computer which is the main computer of the Department and was acquired in 2011. This computer keeps all the records. The other computer that is being required to be replaced is the computer in Chief Nicholson's office that was also acquired in 2011. Police Chief Nicholson is working with IT at Ozaukee County for the best option for the Department.

Requested is $3,000 for 3 pepper ball pistols. The Department has some non-lethal options on their belt: OC spray (pepper spray), Taser (good for about 10 feet away), less lethal shot gun and then their handgun for deadly force. The pepper ball pistols are new in the market and can be used in a situation up to 25 yards away to slow down an individual to get close enough to safely take them into custody. This would be kept in the squad car.

The fast ID hand held request in the amount of $2,500 is needed for when there is a stop and the individual does not have ID. This is a hand-held unit where the index finger is inserted into the unit, and within seconds the suspect's name and picture is displayed. These use wifi from the squad car.

Squad headrest printers in the amount of $1,500 are requested. Currently, the printers are in a low area because of limited space in the squad cars. With the printer in the headrest, this will allow for the officers not to take their eyes off the scene.

The request for a thermal camera in the amount of $1,000 is for tracking people down. The Department has one thermal camera that was donated. The additional thermal camera will be for the other marked squad car.

Two ballistic shields in the amount of $3,000 are requested. As with the body armor, these are warrantied for five years. The current shields were purchased in 2013. Requested is one for each of the marked squads.

The $3,500 for the P25 radios is requested to fund the account for when the switch is made.

Trustee Holyoke inquired as to why 3 pepper ball pistols is requested as the Department has only 2 squad cars. Chief Nicholson shared that at times three officers are on duty with one using the unmarked. Chief Nicholson would be happy if 2 were approved and possibly using any future donation money to purchase the third one. The pepper ball pistols are $1,000 each, are powered by a CO2 canister and is similar to a paint ball gun.

C. Fire Department by Assistant Fire Chief Michael Barrett

The total amount of Fire Department Capital Outlay is $407,100 which includes: $50,000 for fire equipment replacement, $5,000 for hose replacement program, $5,000 for pager replacement, $275,000 for TFD training facility, $10,000 for turnout gear, $7,000 for tire replacement - #561 rear tires, $1,600 for tire replacement - #551 and #552 front tires, $50,000 for repair/replace apparatus bay floor and $3,500 for hydro testing scba phase #2.

Assistant Fire Chief Mike Barrett shared that the fire equipment replacement fund request of $50,000 is an annual request and used when a repair is needed.

The hose replacement program request of $5,000 will be used to fund the reserves to replace old hoses.

In regards to the pager request for $5,000, the Department is about 80% of the way through replacement. Each pager is about $500. Assistant Fire Chief Barrett will look into getting money for the old pager batteries. This request should be lower in the coming years because only the batteries will need to be replaced.

Assistant Fire Chief Barrett referenced tire replacement as a "must have". Requested is $7,000 for #561 rear tires and $1,600 for #551 and #552 front tires. The $7,000 will be added to the $10,612 in reserves. Tires are very expensive. The $7,000 requested will be used for #561 (about $1,000 per tire) with reserves used to fund #551 and #552 front tires.

Another "must do" is the hydro testing scba phase #2 request is for $3,500. The Department is on phase 2 of this process.

Turnout gear in the amount of $10,000 is also requested. The Department is currently in negotiations with a vendor for turnout gear. With the current amount of $30,000 in reserves, 15 sets of turnout gear could be purchased. Assistant Fire Chief Barrett is prepared to, if approved, do a promise to pay for them to do 15 sets in 2018 and the additional 5 in 2019. This would completely turn around all the staff and get dual sets for the officers as they have 2 sets. Each set will cost approximately $2,000.

The repair of the apparatus bay floor in the amount of $50,000 request is due to the fact that the floor is in need of repair. There are gouges in the floor and the DPW and Fire Department have patched the floor up until this point. There are troughs under each truck which are made of steel. These troughs are rusting causing expansion which is popping out some concrete. Assistant Fire Chief Barrett is concerned for the safety of the Department members.

The final request is a carry-over from the last several years. A training facility is requested in the amount of $275,000 to be used for Fire Department training. Training in the most realistic scenario possible is important. Grafton has a facility that the Thiensville Fire Department can use.

D. Department of Public Works by Director of Public Works Andy LaFond

The total amount of Department of Public Works Capital Outlay is $258,000 which includes: $20,000 vehicle replacement fund, $180,000 for garbage truck and Cushman replacement reserve, $8,000 Emerald Ash Borer Program and $50,000 Public Works building improvement reserve.

Director of Public Works Andy LaFond is requesting $20,000 for vehicle replacement fund. Currently, there is $91,611 in reserves. Director of Public Works LaFond requests that a fairly significant portion of the reserves be used to replace a year 2000 one-ton dump truck that has a plow and a salt box on it. The fact that the Village is able to hold on to trucks so long is attributed to Mark Goelz, the DPW mechanic.

Garbage truck and cushman replacement reserve in the amount of $180,000 is requested. The garbage truck and cushmans are also year 2000. This is a 2-3 year program to save for this equipment. Aesthetically the truck is in good shape but the frame rails are starting to separate because of the weight of the truck and is in an unrepairable state. During this time, Director of Public Works LaFond will be looking at different options and could stay with the same system being used now which is to buy a garbage truck with 3 cushmans. The cost is about $325,000. Another option is to convert to an automated system where the Department can continue to pick up festival dumpsters and have an arm that picks up the garbage cans. In the past this has been looked into but the trucks only had the arm and did not have the option to pick up dumpsters or picking up mattresses or couches. The cost of this truck would be $388,000 which includes the truck, 950 rolling carts and 8 dumpsters that would work with that truck. Both of these trucks have about a 20 year life. A third scenario, if this makes sense, would be to contract out for trash services. Director of Public Works LaFond has looked into what Cedarburg pays; this would be about $110,000 without the convenience of picking up after floods, picking up our own garbage in the park and disposing of it, selling dumpster services or to offer to residents the convenience of picking up odd shaped items. This study has not been done yet.

Trustee Lange inquired if recycle pick-up would be considered as well. Director of Public Works LaFond stated that this has not been looked into. The Village pays $2,600 per month to Waste Management for recycling service.

The Emerald Ash Borer Program request in the amount of $8,000 is used every year to do chemical treatments. Most of the trees are on an every-other-year schedule. There are quite a few dead Ash trees in the Village; these will be replaced. A grant from the Regional Planning Commission in the amount of $5,000 has been awarded to the Village for this purpose. This grant is for tree replacement in the 100 year floodplain on Green Bay Road and Main Street. Trees will be replaced with Wisconsin native trees.

Also, requested is $50,000 for the Public Works building improvement reserve. To date there is $81,863 for architectural in reserve. The next step will be to have a proposal from an architectural firm.

Trustee Kucharski inquired if Director of Public Works LaFond has looked into or considered leasing a dump truck. Director of Public Works LaFond shared that leasing is viewed as debt. Trustee Kucharski would like to see a comparison.

Director of Public Works LaFond also reported on the DPW – Park Department. There is sufficient reserves in the Pigeon Creek maintenance and fishladder maintenance reserves. It has not been until this year that Pigeon Creek had very minimal erosion maintenance. Director of Public Works LaFond's ultimate goal is to keep Pigeon Creek aesthetically pleasing and not to let it regress back to what it was. This takes yearly attention.

Tennis court light replacement in the amount of $10,000 is requested. The $8,000 in reserves is not sufficient. This will be used to purchase poles and lighting.

The tennis court surface repair in the amount of $24,000 is also requested. The system that is now on the court has only an 8-10 year life. Some citizen complaints have been received regarding seem and surface coming up as well as standing water. The Thiensville courts are the only lighted outdoor public courts in the county.

Director of Public Works LaFond explained the request for $60,000 to be used for main entrance/front office security and reception upgrades. This is another sign of the times and an effort to keep employees safe. This money is for architectural and construction. One of the issues the Village has is that all three Departments i.e. Fire, Police and Administration are in the same building. The soft target is the Village Hall because there is no protection. Proposed is moving the door out to the footprint of the building and to create a new counter with enhanced security measures. This will help to maximize the office space gaining about 250 square feet. Great customer/resident experience will be stressed in the design. This will be before the Board again next year in phases for approval.

The Police Department did a study on the building for safety and security. Proposed are a couple more cameras for 3 or 4 additional locations that were noted as needing more security. There is a camera on the counter in the front office that records without sound.

The North Main Street bike trail spur is still in the works; $25,000 is requested. This trail spur is proposed to be located between Prime Minister and Suburban Rental.

The road program has $378,118 in reserves with $10,000 requested to build this program.

Two entryway features on Freistadt and Green Bay to resemble those on North and South Main Street are proposed with $50,000 requested. The Village has the opportunity to work with Mr. Hoff on Green Bay to get space for that entryway. There is an easement on East Freistadt by Mequon Pizza Company; the entryway on West Freistadt has already been approved and will be worked on this fall.

Administrator Robertson shared that the last request is for $100,000 for storm sewer reserve. There are a lot of storm sewers that are made of corrugated metal that lay on the ground and are eroding from the bottom. It is thought to be important to start a reserve for storm sewer.

MOTION by Trustee Lange, **SECONDED** by Trustee Heinritz to recess the 2019 Budget Work Session at 6:10 PM for the Committee of the Whole Meeting. **MOTION CARRIED UNANIMOUSLY.**

MOTION by Trustee Lange, **SECONDED** by Trustee Heinritz to Reconvene the 2019 Budget Work Session at 6:50 PM. **MOTION CARRIED UNANIMOUSLY.**

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

Administrator Robertson stated that $545,429 needs to be paired down to meet the revenue within the capital budget.

Administrator Robertson suggested to eliminate or defer the Thiensville Fire Department Training Center in the amount of $275,000 at this time. The Fire Department could use equipment replacement to fund this Center if they wish in the future.

Trustee Lange is sensitive to the security issues at the Village Hall and would like to move that forward for approval. At the very least, cameras should be installed in the appropriate areas. Assistant Administrator Landisch-Hansen has looked in to the possibility of any state grants available, however, are not available for a government building. The projected cost of this is $60,000.

Administrator Robertson suggested pairing back any storm sewer reserve. Currently, there is $100,000 in reserve; this could be taken down to $20,000. There are no storm sewers in any danger at this time.

Trustee Kucharski stated that the $50,000 for the entryway features on Freistadt and Green Bay could be held over.

The bike spur on North Main Street will be between Prime Minister and Suburban Rentals; $25,000 is budgeted. Land is donated from Prime Minister so no easements will need to be purchased.

Another suggestion from Administrator Robertson referred to the apparatus floor request in the amount of $50,000 in the Fire Department and suggested to complete this over a period of two years and budget $25,000 this year. Assistant Fire Chief Barrett agreed and shared that there certainly is one section that is worse than the other. Assistant Fire Chief Barrett also offered the $5,000 requested for pager replacement.

Administrator Robertson also suggested to take the remainder of what is needed to balance the budget from the garbage truck. If the garbage truck dies, the Village can take out a state trust fund loan for a short period of time. This is not long-term debt. President Mobley stated that if the truck dies, funds may be taken from some of the other reserves.

Assistant Administrator Landisch-Hansen would rather keep more money towards the garbage truck because of the age of the current truck. Trustee Azinger inquired if purchasing a used garbage truck has been considered. Director of Public Works LaFond shared that generally municipalities keep garbage trucks for a long time and is open to all options. Administrator Robertson suggested paring down the Public Works building and the garbage truck requests.

The Tax Rate Comparisons worksheet recommends a general fund levy of $1,915,244 which captures the net new construction and the residual from the TIF, $42,000 for stormwater management, $400,000 for capital equipment and improvement, $3,000 for the old village hall fund for a total levy of $2,360,244 which is a reduction of $148,296.68 which are the other taxing bodies TIF increment. Percentage of tax levy difference is -5.91% for a new tax rate of .00727 versus .00778. The percentage of the reduction is 6.64%. Taxes on a home valued at $241,200 is about $1,752.968 for a reduction of $124.65.

Assessed value went up from $322,248,341 to $324,758,350 which is due to PWSB and improvements made to homes in the Village. The equalized value went up due to sales and went from $336,996,600 to $360,842,611. Administrator Robertson estimates that the Village will be at 90% of fair market value for this year's tax bill.

The 2019 Budget Public Hearing will be Monday, November 5, 2018 at 6:00 PM.

IV. ADJOURNMENT

MOTION by Trustee Holyoke, **SECONDED** by Trustee Lange to adjourn the 2019 Budget Work Session at 7:14 PM. **MOTION CARRIED UNANIMOUSLY.**

Submitted by,

Amy L. Langlois

Amy L. Langlois
Village Clerk

Approved by,

Dianne S. Roberts

Dianne S. Robertson
Administrator