VILLAGE OF THIENSVILLE
2022 BUDGET WORK SESSION
MINUTES

DATE: **Monday, October 11, 2021** **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 2022 Budget Work Session to order at 5:00 PM.

II. ROLL CALL

President:	Van Mobley	
Trustees:	Jennifer Abraham	Rob Holyoke
	Angelina Apostolos	Kenneth Kucharski
	Kristina Eckert	David Lange
Administrator:	Colleen Landisch-Hansen	
Staff:	Police Chief Curt Kleppin	
	Fire Chief Brian Reiels	
	Director of Community Services/Public Works Andy LaFond	
	Village Clerk/Deputy Treasurer Amy Langlois	

III. REVIEW AND DISCUSSION OF THE PROPOSED YEAR 2022 BUDGET

A. Overview of the proposed budget by Administrator Colleen Landisch-Hansen

Administrator Landisch-Hansen presented the 2022 budget draft.

For the 2022 Budget, the General Fund budget presented will comply with the State Expenditure Restraint Program. The Village Board then reviews the Capital Projects Fund budget and Detailed Capital Requests list of requested items to determine what can be done with the funds available. Also, included at this year's Budget Work Session is the Sewer Budget. The goal is to have this Fund's budget approved with all the Village funds. The proposed Sewer Budget is still being reviewed by Ruekert & Mielke; there may be changes depending on this review.

Page 1 of the Budget includes history of revenues and expenditures from 2017 through August 31, 2021.

General Fund (pages 2-18) - Administrator Landisch-Hansen pointed out that the State Shared Revenue is projected to decrease slightly in 2022 down to $71,010 which is a decrease of $5,180 or 6.8%. Highway Aid also has a predicted decrease of 5.25% which is about $11,000. The second half of the American Rescue Plan Act will be $163,000. Administrator Landisch-Hansen has allocated $110,000 to General Fund for eligible lost revenue with the remaining $53,000 going to Capital Projects Fund.

Investment interest is budgeted at $55,000 for 2022 (decrease of $5,000) due to the continued drop in interest rates.

Use of Fund Balance on the revenue side is an offset to Contingency on the expenditure side. These accounts are used to maintain compliance with Expenditure Restraint. The state formula forces the increase in revenues and expenditures to maintain a level of available restraints. The revenue side Use of Fund Balance is budgeted at $140,000 (decrease of $100,000), and on the flip side Contingency is budgeted at $100,000 (no change). The use of Fund Balance will be used to balance this year's budget.

Salaries are budgeted at a 2.5% cost of living increase. This is consistent with other municipalities.

Election expenses are project to go up next year due to the possibility of up to four elections.

Worker's Compensation is flat due to the Village's lower claims experience over the average of the past three years.

Revenue	2022 Budget	2021 Budget	Change	%
State Shared Revenue	71,010	76,190	(5,180)	-6.80%
Exempt Personal Property Aid	19,839	-	19,839	100.00%
Local Transportation Aids	200,248	211,350	(11,102)	-5.25%
Video Service Provider Aid	9,471	9,470	1	0.01%
"paper" Use of Fund Balance	140,000	240,000	(100,000)	-41.67%
Expense				
Salaries & Wages	1,323,010	1,305,517	17,493	1.34%
Fringe Benefits	628,137	594,309	33,828	5.69%
Election Expenses	4,000	2,000	2,000	100.00%
Worker's Comp Insurance	34,700	35,000	(300)	-0.86%
Contingency	100,000	100,000	-	0.00%

As you are aware, the State has mandated a levy limit which is 0% plus a stipend for net new construction and unused prior year levy, if any. The Village had a net new construction percentage of 0.67% for 2022.

The General Fund draft complies with the estimated Expenditure Restraint Program. The estimated percentage allowed for 2022 is 3.4%. This increase in the allowable percentage is attributed to mainly the calculated average consumer price index of 3.0% plus 60% of the net new construction within the community of 0.67%.

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 which this year is $15,816 and the personal property aid adjustment, the net effect to the budget levy is $13,418. 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.

The Village Board does have the option to not capture this increase, however, the effect on this and future budgets should be considered.

	2021 Adopted Budget	Recommended 2022 Proposed Budget Allowed by State Levy Limit
General Fund	$1,929,749.00	$1,943,667.48
Capital Projects Fund	400,000.00	400,000.00
Old Village Hall Fund	3,000.00	2,500.00
Sormwater Mgmt Fund	42,000.00	42,000.00
Subtotal Actual Levy	$2,374,749.00	$2,388,167.48
TIF Increment	-	-
Total Levy	2,374,749.00	2,388,167.49
% Increase in Tax Levy	0.348574%	0.565048%
Tax Rate Comparison	0.007288420	0.007307645
Difference/Tax Rates	0.000007823	0.000019224
	0.007823	0.019224
Percentage/Tax Rates	0.17750%	0.26377%
Total Village Taxes Paid On a Home Valued at $241,200	1,757.97	1,762.60
Added Taxes to a Home Valued at $241,200	5.00	4.64
Equalized Tax Rate	0.006049052	0.005826663
Difference/Equalized Rates	(0.000268810)	(0.000222389)
	(0.268810)	(0.222389)
Percentage/Equalized Rates	-4.254764%	-3.676426%

2020 Assessed Value	325,824,928	2021 Assessed Value	326,803,998
2020 Equalized Value	392,582,000	2021 Equalized Value	409,868,800

10/11/2021 Assessed to Equalized Ratio 79.734%

The effect on the budget with this levy increase on an average home in the Village for the Village's portion of taxes will be $4.64; this is a $.02 tax rate increase.

The remainder of the Funds are as follows:

The Fire Equipment Replacement Fund (pages 19–20) – 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 fund also accounts for the majority of the Assistant Fire Chief/EMS Director salary. This is a self-supporting fund. There is no levy that goes to this Fund.

Park Improvement Fund (pages 21-22) – 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.

Old Village Hall Fund (pages 23-24) – This fund accounts for the utilities and improvements for the building. In the past the village has levied $3,000 toward this fund. The only expenses are electric and gas. This was reduced to $2,500 with the remaining $500 going toward General Fund.

Stormwater Management Fund (pages 25-26) – This fund accounts for the stormwater improvements for the Village. There is a tax levy of $42,000 for 2022.

Debt Service Funds (pages 27–30) – Both the Century Estates #3 Special Assessment B-Bonds Fund and the Laurel Acres Special Assessment B-Bonds Fund were created to make debt service payments and collect special assessments for the two water co-op construction to connect to Mequon Water Utility. The Village prepaid the outstanding bond for the Century Estates #3 Fund in 2020. The Laurel Acres Fund prepaid the outstanding bond in 2021. This fund will close when the remaining special assessments are collected in full in 2024. Excess Fund Balance is budgeted to transfer to General Fund.

Capital Projects Fund (pages 31-41) – The Capital Projects Fund is project to receive $400,000 of tax levy and $42,882 in principal and interest payments for Main Street Special Assessments. The 2022 budget also includes the remaining $53,545 of the second traunch for the American Rescue Plan Act. A corresponding amount of $53,545 is budgeted in contingency until it is decided where these funds will be expended. There are a host of proposals from department heads for the Village Board to consider listed on the Detailed Capital Requests Listing (pages 31-36). The amount of requests exceeds the funds available. Some department requested items have been deferred by staff, but the Village Board can revisit these items when the Detailed Capital List is reviewed.

Tax Incremental Fund No. 2 (pages 42-44) – This fund accounts for activity in the established TIF #2 per the approved Project Plan. There is no incoming increment for the 2022 budget.

Sewer Utility (pages 45-48) – This fund accounts for activity in the Sewer Utility Fund. MMSD's operation and maintenance budget increased by 2.5% resulting in a rate increase to utility users. The estimated single family residential rate increase is $2.00/quarter (1.2%) from $167.00 to $169.00. To fully pass through the MMSD increase, the single family residential rate would need to be raised to $171.00. The Village is able to offset some of this increase because of anticipated new connection fees.

Appendix (pages 44-45) – This section includes schedules that are of interest when reviewing the budget.

- Levy and Tax Rate Summary (page 49)
- Property Values Including TID (page 50) – This is a comparison of assessed and equalized values for 2015 – 2021. You will note that the ratio of assessed to equalized value is estimated to be 79.734%. As mentioned in a previous meeting, this will be the third year that the Village is out of compliance with the state assessment requirement that major classes or property must be within 10% of full value.
- Tax Rate Comparison – This schedule has 5 years of tax rate history and the proposed 2022 rates. The 2022 line items are not complete until the levy information is received from the other taxing authorities.
- State Aids Comparison – This is a detailed breakdown of State Aids received from 2009 through 2022.
- Draft Public Hearing Notice – The date suggested is Monday, November 1, 2022 at 6:00 PM. This is published at least 15 days prior to the Public Hearing and is scheduled to be published on Thursday, October 14, 2021.

B. Police Department by Police Chief Curt Kleppin

Total amount of Police Department Capital Outlay is $34,860 which includes: $3,000 for one desktop computer and one laptop, $4,500 for Chief's desk, Officer's work station chairs and a locker, $22,000 for squad replacement (year 3 of 3), $3,360 for tasers (year 2 of 5) and $2,000 for metal and cloth badges.

The computer and laptop are ordered through the County and includes Microsoft software.

C. Fire Department by Fire Chief Brian Reiels

Total amount of Fire Department Capital Outlay is $188,100 which includes: $6,500 for a new copy machine, $3,000 for hose replacement, $5,100 for 2 video Laryngoscopes, $1,500 for one iPad, $2,000 for pager replacement, $10,000 for turnout gear replacement and $160,000 for SCBA replacement.

Chief Reiels understands that it is a tight budget and noted that the SCBA replacement will be on the horizon for the near future. Trustee Abraham inquired if the Corporation might be able to help fund the SCBA replacement. Chief Reiels shared that the Corporation will probably be looking at ambulance replacement. An ambulance costs about $250,000.

D. Department of Community Services/Public Works by Director Andy LaFond

Total amount of Department of Public Works Capital Outlay is $351,000 which includes $20,000 for vehicle replacement fund, $20,000 for the Emerald Ash Borer program, $16,000 for tennis court resurface (year 2 of 2), $5,000 for parade and special event barricades, $10,000 for DPW Yard remediation, $180,000 for reserves for Road Program reserve and $100,000 for public parking reserve (Business District/Village Park). The public parking at Village Park will yield about 35-40 spots.

President Mobley inquired if TIF money could be used for a parking lot on the parcel near the railroad off Buntrock Avenue. TIF money can be spent within ½ mile of the TIF District, however, money spent must be used to benefit the TIF. Administrator Landisch-Hansen will contact Ehlers to confirm if TIF funds can be used for this parking lot.

Trustee Holyoke suggested that making Riverview Drive one-way may help with parking during special events at Village Park.

Administrator Landisch-Hansen added that $7,560 is requested for the assessment revaluation.

Trustee Abraham stated that the Library is requesting an additional 4.5% increase to address wages, phone system, boiler system and HVAC. The Village has budgeted $110,740 for the last four years. The Library is asking an increase of $5,000. Administrator Landisch-Hansen has received notice from the County noting that to be exempt the Village's responsibility is $103,000 or the three-year average as is customarily done which is above and beyond the $103,000.

John Treffert – 184 Riveredge Court: Mr. Treffert addressed the Board suggesting the Board consider an annually funded road program based on the 2021 Village PASER ratings. The PASER ratings for the Village indicates 7% rated poor and 24% rated fair. Mr. Treffert noted that deteriorating roads are like having a leaking roof (damage is not visible), makes a statement about the true health of the Village, makes a poor first impression and negatively impact property values and suggested long-term borrowing should be considered. The road program could have a mix of large and small projects noting that Riveredge Court is in need of repair.

Trustee Abraham inquired if the Village has a plan or a road program. Director LaFond shared that the Village has a 5-year capital plan, however, with a limited budget sometimes items get pushed off and some of these costs are far greater than the annual capital budget. Administrator Landisch-Hansen shared that Capital funds have been allocated towards the road reserve account for the past two years.

President Mobley inquired if budgeting the $160,000 recommended plus the reserves (a total of about $300,000), would be enough to fix those roads with a poor rating. Director LaFond noted this may be enough.

Trustee Abraham inquired if there are state funding options available specifically for roads. Administrator Landisch-Hansen shared that there is a State Trust Fund Loan Program that is at about 2.5% interest. Some communities do not allocate any tax levy towards roads and only issue debt. Traditionally, the Village has always put money away until enough is saved to do a road project. Trustee Lange noted the amount previously budgeted for roads is not cutting it and should consider raising the amount budgeted.

E. Balance of Departments by Administrator Colleen Landisch-Hansen

Administrator Landisch-Hansen shared that a few years ago a study had been completed on the roof of Village Hall; requested is the second half of Phase 1 in the amount of $35,000. Also, $10,000 is requested for document digitization.

Trustee Holyoke inquired about the spashpad and would like to see this project in the Park completed. Administrator Landisch-Hansen shared that about $100,000 has been raised and the estimate to complete is about $250,000; about $150,000 is needed. President Mobley stated that the splashpad will have ongoing costs; i.e. water which is estimated at $9,000 per year. This estimate was based on running all day and a long season. Administrator Landisch-Hansen anticipates the proposed splashpad in Village Park will use less water as the design is now smaller and will run on a timer. The water will not be recirculated.

The Gala in 2021 raised just under $30,000. TIF dollars cannot be used for this project. There are some developments that will generate a $500 per unit Park Impact Fee. Hawthorne Square will generate about $45,000 with another $8,000 from Two Hundred Green. This is General Fund revenue, however, could be reallocated toward the Village Park Fund. Director LaFond also noted that if the spashpad is classified as tourism, the Village could look into room tax as Airbnb's increase. There are three or four currently in the Village. Administrator Landisch-Hansen noted that looking for a naming rights donor is an option. Trustee Eckert suggested asking businesses to round-up for the spashpad.

The Village contributed approximately $70,000 towards the River Stage. The PWSB River Stage has been a great addition to the Park.

Trustee Holyoke has concerns regarding adding parking to Village Park and expanding the pavilion and does not want to lose any trees or green space.

The Village has 16.81 miles of roads.

The old fire station has just under $27,000 in reserves. Director LaFond noted that the top of the tower needs painting. This will cost about $20,000. President Mobley suggested completing this project.

Trustee Lange is not adverse to going into debt and noted projects will only get more expensive in the future.

MOTION by Trustee Lange, **SECONDED** by Trustee Eckert to Recess the 2022 Budget Work Session at 6:02 for the Committee of the Whole Meeting. **MOTION CARRIED UNANIMOUSLY.**

MOTION by Trustee Holyoke, **SECONDED** by Trustee Lange to Reconvene the 2022 Budget Work Session at 6:59 PM. **MOTION CARRIED UNANIMOUSLY.**

In order to have enough to purchase the garbage truck and garbage cans $60,000 is needed. Administrator Landisch-Hansen suggested reallocating reserves. Trustee Eckert believes that parking needs to be addressed and suggested not taking funds that are recommended for parking for the garbage truck. Director LaFond would like to see the tennis courts resurfaced and suggested using reserves from the North Main Bike Trail Connection; $50,000 is in reserves for this trail connection. The Board decided to reallocate the $50,000 in reserves from the Bike Trail Connection funds for the garbage truck. Trustee Eckert suggested charging for garbage cans to get the additional $10,000 needed. President Mobley is not in favor of charging for the garbage cans. Administrator Landisch-Hansen shared that there is $61,000 of reserves from the completed Green Bay Road Resurfacing and Street Lights. Director LaFond stated this will be transferred to road reserves and noted there is some value in the cushmans and garbage truck. Director LaFond would like to keep at least one Cushman.

Trustee Apostolos suggested charging $15 per garbage can. Director LaFond noted the Village could go to a proposal process for the garbage cans to try to get this cost down.

If the Village is considering bonding for a project, it would be beneficial to know that now because we are starting go through the rating process. If the Board decides to borrow money for roads, Administrator Landisch-Hansen would need to figure out how to pay for debt service so the money not used in the Capital Fund may have to be reallocated to pay for debt service.

Trustee Eckert inquired if the Village could pick up garbage from businesses. The Village does not currently pick up garbage from businesses. Trustee Eckert would rather pay the Village instead of a service to pick up her garbage and this would be extra income. It is Village policy that businesses contract out for trash pick-up. Director LaFond does not believe it would be economical for the Village to provide this service. The Village currently pays about $56/ton to dispose of garbage. Nothing greater than a two-family is picked up.

Administrator Landisch-Hansen also shared that capacity of staff time needs to be a consideration when determining future projects.

Trustee Abraham inquired where funds came from for the extra Police Officer. Administrator Landisch-Hansen shared that this was from General Fund and this year it turned out to be a wash; moving forward it may be a tight budget. The Police budget did increase.

President Mobley noted that the Fire Department still needs to be considered when budgeting. Trustee Abraham agreed. Administrator Landisch-Hansen shared that there are reserves set aside for a study; $20,000 had been reserved a few years ago and only $3,000 has been used to date leaving about $17,000. Hopes are that a new study will not exceed $17,000.

Trustee Abraham also inquired that because the Village is increasing the fee charged to the Library to act as their fiscal agent, that the Board consider increasing the contribution to the Library by $3,000. Administrator Landisch-Hansen shared that the Village has been charging the Library $6,000 per year for 6-7 years and after tracking time spent on the Library between Administrator Landisch-Hansen and Village Clerk/Deputy Treasurer Langlois, $9,000 pays for the amount of time spent. The Library was paying the City of Mequon about $12,000 per year as their fiscal agent. President Mobley asked if the Village should consider asking the Library to look for another fiscal agent. Administrator Landisch-Hansen suggested looking at this next year. Trustee Abraham shared that the City of Mequon may consider sharing resources with the Library.

In summary, the Board has decided to move forward with investigating the parking lot addition in Village Park and possibly borrow in the beginning of year for road projects. These projects will be before the Board again for approval.

Director LaFond shared that park impact fees are a one-time fee and paid when permits are issued. A Developer's Agreement for Hawthorn Square has not been finalized to date. This will be before the Board for consideration based on a recommendation from Plan Commission.

IV. ADJOURNMENT

MOTION by Trustee Lange, **SECONDED** by Trustee Holyoke to adjourn the 2022 Budget Work Session at 7:26 PM. **MOTION CARRIED UNANIMOUSLY.**

Submitted by,

Amy L. Langlois

Amy L. Langlois
Village Clerk