

VILLAGE OF GRAFTON

COMMITTEE OF THE WHOLE MEETING MINUTES

OCTOBER 17, 2009

The Committee of the Whole meeting was called to order at 8:00 a.m. by Village President Jim Brunnquell.

Board members present: Jim Grant, Ron LaPean, David Liss, Susan Meinecke, and Jim Brunnquell

Board members absent: Richard Rieck, Scott Volkert

Staff/Officials present: Village Administrator Darrell Hofland, Finance Director Paul Styduhar, Village Clerk Teri Dylak, Utility Director Tom Krueger, Planning and Development Director Michael Rambousek, Building Inspector Tom Johnson, Community Activities Director John Safstrom, Library Director John Hanson, Police Chief Charles Wenten, Captain Joseph Gabrish, Captain Emmett Grissom, Administrative Assistant Pat Hofstad, Director of Public Works /Village Engineer Dave Murphy, Administrative Assistant Melissa Depies, and Administrative Assistant Rachel Reiss

REVIEW 2010 DEPARTMENTAL BUDGET REQUESTS

Village Administrator Darrell Hofland stated this was a challenging budget of the Village. There were many parameters established by factors out of the Village's control. Department Heads have done a great job working within the restraints.

Administrator Darrell Hofland reviewed the major Areas of Emphasis, approved by the Village Board in June. The Areas of Emphasis include the redevelopment of Downtown Grafton and the South Commercial District; transportation improvements; to properly maintain the Village's fleet and buildings; to remain in compliance with the DNR storm water mandates; and to implement recommendations of the Village's Park and Open Space Plan.

Mr. Hofland stated that Village staff had State imposed expenditure restraints and Village of Grafton self-imposed restraints to consider when preparing this budget. The Village has four self-imposed restraints: maintain eligibility for the Expenditure Restraint program, keeping the equalized tax rate at CPI (Consumer Price Index) or lower, work toward a minimum 25 percent fund balance, and limiting use of applied General Fund fund balance to 5 percent.

Administrator Hofland stated that the Wisconsin Department of Revenue allows the Village to increase its expenditures by incorporating the Village's property tax base growth and the Consumer Price Index. For 2009, the Village is allowed a 3.44 percent

increase in expenditures. The Executive 2009 Budget expenditure increase is 3.44 percent.

For the first time in many years the Village of Grafton has property devaluation. Typically a property's fair market value increases from year to year. This year due to the negative inflation the Village, like many communities, saw a decrease in property values.

The Proposed 2010 Budget assessed tax rate increased by 1.61 percent (The equalized tax rate is proposed to increase by 2.45 percent.)

The Village's goal to maintain a minimum fund balance of 25 percent of the General Fund, as a financially responsible "safety net" for unanticipated expenditures, is consistent with Moody's Credit Service's recommendation for the Village. The proposed 2010 Budget fund balance is 26.25 percent (The Adopted 2009 was 23 percent).

The Village's policy is to limit the use of applied fund balance to 5 percent. The 2010 Executive Budget proposes using 6 percent of applied fund balance.

Mr. Hofland noted the total levy requirement is \$6,849,282, a 2.39 percent increase over the levy requirement of \$6,689,108 for 2009. This 2009 levy results in an equalized tax rate of \$6.143 per \$1,000 of equalized valuation. The increase in tax levy is approximately \$51,496 from new construction and \$108,678 from existing properties.

The two factors that make up the \$160,174 levy increase are wage increases (\$127,063) and pension contribution (\$35,291).

Mr. Hofland reviewed the significant changes to the 2010 General Fund Budget.

Increases in General Fund Revenue include Property Tax Levy, Transportation Aids, Residential Drop Off Fee, and use of Applied Fund Balance. These increases were needed due to a decrease in State Shared Revenue, Building Permits, Interest Income, Planner Charges and Engineering Charges.

Changes in the General Fund, General Government include an increase of \$20,222 due to anticipated four elections in 2010 over the 2009 two elections. Village Hall maintenance will increase due to the new Village Hall which is 50 percent larger than the current facility. There will also be an increase of \$5,600 for the Employee Health and Wellness Program to reestablish this program in its entirety.

Funds are included in Unclassified for unemployment compensation due to the layoff of three positions. The contingency amount is larger than prior year's. The larger contingency allows for the Village to have larger flexibility for budgeting in future years.

Due to the Town of Cedarburg no longer participating in the City of Cedarburg's library system; the Village will receive over \$47,000 in additional funds from the Eastern Shores Library System. This will result in an increased savings to the Village of \$24,798.

In the Park and Open Space fund there is \$20,000 allocated for three play equipment safety surfaces in 2010. This is the beginning of a 5 year project to replace all safety surfaces in the park system. A rehabilitation of Lion's Shelter in Veterans Memorial Park has also been identified. This project would be funded by donations.

The Park and Recreational Facilities Fund includes funding for the final phase Lions Park on the Village's west side.

The Environmental Fund allows for the continued monitoring of the former Lime Kiln Park landfill. This is a requirement by the Wisconsin Department of Natural Resources. It is anticipated that this fund can close in approximately 10 years.

The Room Tax Fund has a slightly different break out than last year to more clearly identify what activities this fund will be responsible for. There has been an increase in contribution allocated for the Christmas Parade and the Holiday fireworks display.

There are no material changes in the Recreation Fund, Aquatics Fund, Revolving Loan Fund, Cable Television Fund, and Woodlawn Cemetery Fund.

Mr. Hofland stated the Debt Service Fund will receive an additional \$621,625 from the TID's. The tax levy is also going to increase by \$44,639. The applied fund balance will reduce the anticipated fund balance at the end of 2010 to \$1. He also noted that the Village's tax levy requirements associated with the annual debt service peaks in 2010.

The Enterprise Fund includes a rate increase of 12 percent for water and 19 percent for wastewater. Projects for the Enterprise Fund include recoating tower #1, water and sewer replacement at 9th Avenue and Power Street; Bridge Street lift station and a heat exchanger for a boiler.

The Capital Projects Fund projects are the engineering plan to upgrade Falls Road; mill, widen, and overlay Cedar Creek Road; repair hazardous sidewalk, new election voting machines; and completion of the Municipal Services Facility.

The Equipment Fund allows for the funding of 2 police squads, a police computer system and a 10 yard dump truck.

Mr. Hofland reviewed the projects for TID #3. With the approved donations of \$700,000 from TID #2 and TID #5, TID #3 is in a better financial position. It is anticipated that the Village will take the lead in a new marketing plan to include brochures for the downtown.

It is anticipated that TID #4 will have minimal activity. The budget allows for two façade grants and two sign grants in 2010 and work done at the railroad crossing at Wisconsin Avenue.

There are no planned projects in TID #2 – Business Park or TID #5 – Grafton Commons.

Administrator Hofland identified the out of state conferences Department Heads and he will be attending in 2010.

Each of the Department Heads gave a brief overview of their program budget areas.

Director of Public Works / Village Engineer Dave Murphy requested the Village jointly purchase the mini-excavator with Utility funds. The Equipment Fund would repay the Utility for their portion of the equipment beginning in 2011 for three years.

Administrator Hofland stated he supports the purchase of the mini-excavator; however, he was unable to find funds for the purchase this year. Utility Director Tom Krueger stated the Utility was willing to purchase the equipment up front with the understanding that a portion of the cost would be repaid over time.

Trustee Meinecke questioned when the Village may go to paperless packets. Village Clerk Teri Dylak stated her major concern is that not all Village Board members currently utilize e-mail on a regular basis. A secondary concern is the Village Board members' personal computers become an open record. This process is still being analyzed, but not proposed in 2010.

Building Inspector Tom Johnson reviewed the layoffs proposed in his Department. Mr. Johnson stated that the level of activity is expected to decline. This will not compromise the quality and safety of the work done by the Inspection Department.

A letter ([attached](#)) was reviewed by Village Board members from Bob Meier, a Grafton citizen and electrical contractor.

Administrator Hofland stated a layoff of staff is not an easy decision. The layoff is not due to the quality of work provided by staff. It is simply due to an anticipated reduced workload.

Trustee Grant questioned what the staffing levels are of similar sized communities. Mr. Hofland stated that the Village Hall is substantially lower, by 3-4 FTE, than neighboring communities.

Trustee Grant commended Village staff on the quality of work they are capable of with minimal staff.

Administrator Hofland stated the 2.39 percent tax levy increase is the lowest increase in 10 years. The highest increase was 10.70 percent.

Trustee Grant questioned what could be cut from the budget to reduce it by the \$110,000 to have a zero tax rate increase. Administrator Hofland stated that he would not be able to recommend removal of any projects from the proposed budget. Mr. Hofland would recommend increasing the use of fund balance if it were necessary to reduce the tax levy and related rate.

ADJOURN

Motion by Trustee Grant, seconded by Trustee LaPean, to adjourn at 10:19 a.m. Approved unanimously.