

VILLAGE OF GRAFTON

PUBLIC HEARING BEFORE THE VILLAGE BOARD

OCTOBER 28, 2009

The public hearing was called to order at 6:01 p.m. by President Jim Brunquell.

Village Board members present: Jim Grant, Ron LaPean, Sue Meinecke, David Liss, Scott Volkert and Jim Brunquell

Absent: Richard Rieck

Staff/Officials present: Village Administrator Darrell Hofland, Finance Director Paul Styduhar, Village Clerk Teri Dylak, Director of Planning and Development Michael Rambousek, Library Director John Hanson, Utility Director Tom Krueger, Building Inspector Tom Johnson, Director of Parks and Recreation John Safstrom, Director of Public Works/Village Engineer Dave Murphy, and Police Chief Charles Wenten

Statement of public notice was given by Village Clerk Teri Dylak.

The purpose of this public hearing is for public review and comment on the 2010 Village of Grafton Annual Program Budget.

President Brunquell indicated that the budget document was discussed at length at the staff level and by the Village Board at the October 17 Budget Workshop.

Village Administrator Darrell Hofland summarized the 2010 budget. He outlined the various categories of the budget and highlighted the Village's goals and objectives for 2010. The Areas of Emphasis of the Village of Grafton include items such as: 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; remain fiscally responsible and maintain a general fund balance at a minimum of 25 percent of the expenditure level; remain eligible for the Department of Revenue Expenditure Restraint Program; and to implement recommendations of the Village's Park and Open Space Plan.

Mr. Hofland indicated that the Wisconsin Department of Revenue allows the Village to increase its expenditures based on the Village's property tax base growth and a State-identified base of 3.00 percent. For 2010, the Village is allowed a 3.44 percent increase in expenditures. The Executive 2010 Budget expenditure increase is at the 3.44 percent allowance. In addition to the expenditure restraint component, Village staff worked within the Village self-imposed restraint of keeping the equalized tax rate at CPI (Consumer Price Index) or lower, working toward a minimum 25 percent fund balance, and limiting the use of applied General Fund fund balance to 5 percent. The 2010 budget utilizes 6 percent of applied fund balance. The 2010 projected fund balance is 26.25 percent. The adopted 2009 amount was 23 percent.

The total tax levy needed for the 2010 budget is \$6,849,282. This is a 2.39 percent increase over the 2009 levy amount of \$6,689,108. This is the lowest percentage increase in the past 10 years. The 2010 budget requires an increase of \$160,174 in tax levy over the 2009 levy amount. The Proposed 2010 Budget assessed tax rate increases by 1.61 percent or \$0.10 per 1,000 of assessed valuation.

Mr. Hofland identified that Village staff has been very conservative in their spending over the years. Resulting in funds remaining at the end of the year that are returned to the fund balance in order to maintain a lower tax rate.

Mr. Hofland reviewed significant changes to the 2010 budget. He stated that the budget includes the addition of a 599 hour Senior Center Office Assistant position in the Parks and Recreation Department. This position is needed to adequately staff the Multi-purpose Senior Center after the Parks and Recreation offices are relocated to the new Municipal Services Facility. This move is anticipated to occur in late spring or early summer.

Mr. Hofland identified other personnel changes. He stated that two part-time office assistants in the Building Inspection/Assessment Department are being eliminated as well as the Village Planner I position. The elimination of these positions is based on an anticipated decrease in construction and redevelopment causing less building permits, and charge back revenues.

The Special Revenue Funds were briefly reviewed. This category includes the following funds: Library, Environmental, Aquatics, Recreation, Cable Television, room Tax, park and Open Space, park and Recreational Facilities, Revolving Loan and Woodlawn Cemetery.

Mr. Hofland indicated that due to the Town of Cedarburg no longer participating in the City of Cedarburg's library system; the library 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.

The Park and Open Space Fund includes an allocation of \$20,000 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. In addition, the Village anticipates a donation for the rehabilitation of the Lion's Shelter in Veterans Memorial Park.

Mr. Hofland reviewed the Debt Service Fund. He stated that in 2010, the levy needed to fund the annual debt service peaks and then drops in future years. In 2010, \$0.74 of the tax rate is associated with debt service. This compares to \$0.69 in 2009. Mr. Hofland also stated that the only new debt anticipated in 2010 is in TID No. 3, for the possible purchase of land for a parking lot and possible developer incentive for the redevelopment of the former Lumberyard site.

Capital projects include the milling and overlay of Cedar Creek Road. The total cost of this project is estimated at \$410,000. The Village portion of the project is \$145,000. The remaining portion is funded by Mole Creek Estates, the Town of Grafton and Town of Cedarburg. Other projects include the annual sidewalk program, Falls Road Urbanization

Design, street trees and the Municipal Services Facility construction, and the possible purchase of new election machines.

Enterprise Fund projects were highlighted. Significant projects 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 Equipment Fund includes funding of 2 police squads, a police computer system and a 10 yard dump truck.

Trustee Grant questioned when the requirement for Mole Creek Estates to assist in the funding of the Cedar Creek Road improvements will expire. Mr. Hofland responded that 2010 is the final year of the funding assistance requirement. He also stated that the funds from Mole Creek Estates will be utilized for the installation of sidewalk adjacent to the subdivision.

Mr. Hofland identified that additional funds are included in Unclassified account. In the past years, the Village has used very little of the contingency amounts. The contingency amount is larger than prior year's. In light of the Village's desire to remain eligible for the State's expenditure restraint program, the larger contingency allows for the Village to have larger flexibility for budgeting in future years.

Mr. Hofland identified that the Finance Director Paul Styduhar has been in contact with senior staff from the Department of Revenue. Based upon that discussion, the Village has been informed that our expenditure restraint program cap is actually 4.5 percent instead of the 3.4 percent cap originally provided. The increase is a result of new construction increase above 3 percent. Mr. Hofland requested permission to adjust the Contingency account by approximately \$89,000 to reach the new cap. Maintaining the expenditure level at the expenditure restraint program cap provides the Village with a higher base for the next budget cycle. Mr. Hofland stated that the General Fund's fund balance would remain at approximately 25 percent with this change.

Trustee Grant commented that the expenditure amount should remain at the 3.44 percent.

President Brunnuell stated that the proposed change will not affect the tax rate and will provide the Village with more flexibility in 2011 budgeting.

It was the consensus of the Board to adjust the Contingency account by approximately \$89,000 to meet the 4.5 percent expenditure restraint allowance, while maintaining a minimum of 25 percent fund balance.

There being no further discussion on the 2010 Annual Program Budget, President Brunnuell requested the hearing be closed.

Motion by Trustee Liss, seconded by Trustee LaPean, to close the public hearing on the 2010 Annual Program Budget at 6:18 p.m. Approved unanimously.