

**VILLAGE OF GRAFTON**  
**PUBLIC HEARING BEFORE THE VILLAGE BOARD**  
**OCTOBER 27, 2010**

The public hearing was called to order at 6:00 p.m. by President Jim Brunnuell.

Village Board members present: Jim Grant, Ron LaPean, Sue Meinecke, David Liss, Lisa Harbeck and Jim Brunnuell

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, Building Inspector Tom Johnson, Director of Public Works/Village Engineer Dave Murphy, Utility Director Tom Krueger, and Police Captain Joseph Gabrish

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 2011 Village of Grafton Annual Program Budget.

Village Administrator Darrell Hofland summarized the 2011 budget. He outlined the various categories of the budget and highlighted the Village's goals and objectives for 2011 and how they relate to the Areas of Emphasis.

Administrator 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 the Consumer Price Index. For 2011, the Village is allowed a 2.0 percent increase in expenditures. The Executive 2011 Budget expenditure increase is at -3.46 percent.

Administrator Hofland stated GASB 54 has made it necessary to reallocate tax levy from the General Fund to the Library Fund. Subsequently General Fund expenditures have been reduced equally for the same reason.

Administrator Hofland identified that the Village of Grafton has experienced property devaluation. Typically a property's fair market value increases from year to year; however, due to the current economic climate a decrease in valuation was experienced.

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 and 2011 budgets

utilize 7 percent of applied fund balance in order to keep the tax rate low. However, the 2011 projected fund balance is at the recommended 25 percent level.

Administrator Hofland identified the major funds included in the 2011 program budget. The total tax levy needed for the 2011 budget is \$6,941,344. This is a 1.34 percent increase over the 2010 levy amount of \$6,849,282. This is the lowest percentage increase in the past 10 years. The 2011 budget requires an increase of \$92,062 in tax levy over the 2010 levy amount. The increase in tax levy is approximately \$24,106 from new construction and \$67,956 from existing properties. The Proposed 2011 Budget assessed tax rate increases by 0.99 percent or \$0.06 per 1,000 of assessed valuation. The Village has not done a full property revaluation since 2006.

Administrator Hofland summarized the 2011 anticipated General Fund Revenues. Additional funds are anticipated from Transportation Aids, the residential drop off site, engineering, cable franchise fees and PILOT fees from Aurora Medical Center for the new orthopedic clinic.

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

Significant changes to the 2011 budget were reviewed. The budget includes the purchase of new election machines, upon certification by the Government Accountability Board, additional costs for Village Hall utilities, Police unmarked squad, communication dispatch area furniture, and salt reserves. The 2011 budget does not include any wage or benefit increases for non-represented or union employees.

The 2011 budget includes funding for one part-time (0.50 FTE) Office Assistant position in the Inspection and Assessing Department, effective April 1, 2011. This staff addition is to fill an existing position that was on lay-off in 2010. The budget also identifies the elimination of Time Warner public access Channel 14 and the subsequent elimination of the part-time (0.22 FTE) Programming Coordinator position.

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.

The Woodlawn Cemetery Capital Account includes a replacement storage shed. The Park and Open Space Fund includes replacement registration software. The Park and Recreational Facilities Fund include funding for the South Side Park. The Room Tax Fund has identified on-going funding for visitor's services, branding and marketing as well as an increase to fund Debt Service.

There are no changes to the Environmental Fund, Recreation Fund, Aquatics Fund and Revolving Loan Fund.

Debt Service expenses peaked in 2010, which allows for a reduction in tax levy as well as a reduction in use of applied fund balance due to less outstanding debt.

The Capital Projects Fund includes funds for the Falls Road project, mill and overlay of 17th Avenue, Valley Drive and Glen Anna Drive, replacement tennis courts and repair of hazardous sidewalk on the northwest side of the Village.

The Equipment Fund allows for the funding of 2 police squads, recorder/call checks, replacement of a 3 yard dump truck, crack sealer, and step van.

Administrator Hofland reviewed the projects for TID #3 and TID #4. He indicated that no funds will be expended unless there is a viable project in place.

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

President Brunnuell identified that the budget document was discussed at length at the staff level and by the Village Board at the October 16 Budget Workshop.

Resident and Ozaukee County Board Supervisor Alan Kletti commented that the Village's overall percentage of debt is low. President Brunnuell stated that the amount of debt financed by tax levy is at 33 percent of the outstanding debt. The majority of debt is located in the TIDs. Mr. Kletti stated that the 2011 budget is very conservative.

Administrator Hofland identified that a resident with a home valuation of \$250,000 will see a \$16 increase in their property taxes on the Village portion of their tax bill.

Trustee Grant stated that while a \$16 increase is not significant, he is concerned with any increase because of the current economic climate. Mr. Grant stated that at the October 16 Budget Workshop it was identified that in order to have a zero percent increase budget, approximately \$63,000 would need to be eliminated from the 2011 budget. He stated that a recent quarterly financial report shows approximately \$330,000 in excess revenues anticipated in the 2010 budget. He questioned if these funds can be utilized to offset the current project increase.

Finance Director Paul Styduhar stated that the excess revenue projections have already been factored into the 2011 budget to keep the levy increase low.

Administrator Hofland stated that the goal is to utilize as little fund balance as possible in the annual budget. If additional fund balance is used for 2011, it may have a negative impact on future budgets.

Trustee Grant stated that the proposed 2011 budget is a fair and conservative budget; however, he is still concerned with any increase in taxes due to the current economic

challenges faced by Grafton taxpayers. He commended staff on the work it takes to put together the annual budget.

There being no further discussion on the 2011 Annual Program Budget, President Brunnuell requested the hearing be closed.

Motion by Trustee Meinecke, seconded by Trustee Liss, to close the public hearing on the 2011 Annual Program Budget at 6:39 p.m. Approved unanimously.