



**VILLAGE OF WEBSTER**

# BUDGET WORKSHOP MEETING MINUTES

Wednesday – October 15, 2019 @ 6:00 p.m.

Village Office

7505 Main Street West, Webster, WI

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- I. CALL TO ORDER** – Village President, Jeff Roberts called the meeting to order at 6:00 p.m.
- II. PRESENT** – Village President, Jeff Roberts; Trustees, Sarah Casady; Kelsey Gustafson; Tim Maloney; Darrell Sears; Charlie Weis; and Greg Widiker. Others: Auditor, Jonathon Sherwood – CliftonLarsonAllen; Public Works Director, Jay Heyer; Police Chief, Stephenie Wedin and Clerk-Treasurer, Debra Doriott-Kuhnly. Absent: None.
- III. 2020 BUDGET DISCUSSION:** Village President, Roberts gave the floor to Auditor, Jonathon Sherwood. He reviewed the 2020 Municipal Levy Limit Worksheet with the board. He directed the board to look at line 6 - Net new construction. This is a positive thing and advised to take advantage of the .285% to bump up the levy to \$392,616. Less the adjustment of \$6,528 for personal property aid (this amount is now reflected as a revenue line item); resulting in Allowable Levy of \$386,088. Last year we were allowed to add to the Allowable Levy for the general obligation debt of the plow truck, but this has since been paid off so no longer able to use. Jonathon informed the Board that the other thing to consider is the expenditure restraint program. This is a State program that just looks at expenditures that we budget and allow us to increase by another formula (based off from the prior year's budget compared to this year's budget) to get payment from the State for keeping our expenses down.

Before reviewing each line item, Jonathon shared the increase of \$34,000 to balance the general fund is a combination of salary and benefit increases for 2020. The major contributor is health insurance for the Police Department. The board then went line by line on the budgeted Revenue accounts. Jonathon pointed out that State Aids is increasing by \$12,836 for 2020; resulting in a total of \$256,789 for Intergovernmental Grants/Aids. He also pointed out that there isn't any long term debt in 2020. Trustee, Widiker asked if the board would consider new office building in 2020. Jonathon said some funds are earmarked under Capital Replacement for a new office building.

Next, the expenditures were discussed. Jonathon stated that he and Clerk/Treasurer, Kuhnly already made changes to the initial budget for wages and benefits for all departments.

### **General Government Expenses:**

Trustee, Weis asked about the 2019 Unemployment Insurance expense. This was from the former Chief of Police's unemployment payments. Due to the additional Elections scheduled for 2020, the budget was increased to a total of \$6,000. Jonathan stated that Property/Liability Insurance rates are increasing for 2020. Decision was made to increase budgeted amount to \$20,000.

### **Public Safety Expenses:**

This is where the impact of the extra Police Officer and the increase in Full Time Officer health insurance cost is recorded. Discussion took place on shopping around for a different insurance company but adopt the numbers presented. The Police Administrative Assistant's salary is currently

under Part Time Officer budgeted number. Decision was made to make this a separate line item with a budget of \$11,500. Part Time Officer budget will be set at \$5,000. An additional line item will be added for Police Investigation Money; budgeted amount will be \$1,500.

**Public Works:**

Jonathon asked Public Works Director, Heyer if the final bill for the sealcoating project has been received and paid. It appears there is another \$20,000 outstanding. In 2019, the Traffic Control Signs is over budget due to the new cross walk signs on Highway 35; by Webster Health Center. Trustee, Gustafson asked if the \$4,000 under Capital was supposed to be for this expense. Jonathan said he can move it.

**Health and Social Services:**

Budget is set the same as last year.

**Culture, Recreation, Education:**

Budget is set the same as last year.

**Debt Service:**

Jonathon reiterated that the plow truck was paid off in 2019. The remaining debt is the Library, SCADA System and Sanitary Sewer System Improvements. None of these are paid by the General Fund; they come out of Library and Utility Funds.

Contribution to the Library Fund will remain at \$42,147. Discussion ensued on calculation of this amount.

Total Proposed Expenditures for 2020 Budget are as follows:

- General Government - \$150,959
- Public Safety - \$272,585
- Public Works - \$135,010
- Health and Human Services - \$3,050
- Library Levy - \$42,147
- Other Culture, Recreation and Education - \$40,860
- Conservation and Development - \$2,070
- Debt Service - \$0

Total 2020 Expenditures - \$646,681 for a 1.81% change from 2019.

Total Proposed Revenues for 2020 Budget are as follows:

- General Property Taxes - \$336,922
- Other Taxes - \$8,900
- Intergovernmental - \$256,489
- Licenses and Permits - \$7,230
- Fines and Forfeitures - \$12,000
- Public Charges for Services - \$3,630
- Intergovernmental Charges for Service - \$0

- Miscellaneous - \$21,510
- Transfers from Water Utility - \$0

Total 2020 Revenues - \$646,681 for a 1.81% change from 2019.

**Street Construction Fund (Capital Projects Fund):**

Jonathon pointed out that so far in 2019, there hasn't been any expenditures taken out of Street Construction Fund and asked if should or will be. Trustee, Gustafson said this money was being saved for the corner of County Rd FF/Hickory. Trustee, Widiker asked if shared expense with County. Gustafson didn't think so. President, Roberts also said we could assess some to the property owners. Gustafson said he wasn't a big fan on this; Roberts pointed out that, in part, this was done for the Main Street project. *From the Capital Replacement discussion, it was decided to add \$20,000 to Streets.* The allocated dollars for 2020 Street Construction Fund are \$88,381

**Capital Replacement Fund:**

\$11,420 was used for changes in the General Fund 2020 budgeted expenses. There are \$49,166 unallocated funds. (*Property Tax Levy \$386,088 minus General Fund Tax Levy of \$336,922 = \$49,166.*)

Discussion took place on the benefit of adding house razing back into the budget. Decision was made to add \$10,000 and rename to property razing. Squad Car was purchased out of 2019 Capital Replacement. \$20,000 will go in Street Construction Fund. Trustee, Gustafson said there is a need to fund or finance a new Skid Steer. Jonathon pointed out that there is \$15,936 earmarked for Public Works Equipment. President, Roberts suggested using the \$15,936 as a down payment, plus the trade in amount and financing the rest through The Trust. Gustafson agreed. Trustee, Sears asked about cleaning the sewer ponds and water tower. Those will come out of Utility Fund. The remaining \$19,166 of unallocated funds will go into Village Office Building.

Listed below is the 2020 Capital Replacement Fund earmarked by the board:

- Squad Car - \$35,000
- Cold Storage Garage - \$6,000
- Office Building - \$115,753
- Computer (PD) - \$1,500
- Computer (Village Clerk-Treasurer) - \$1,500
- Property Razing - \$10,000
- Police Vest - \$3,000
- Landscaping Main Street - \$1,800
- Landscaping of Village Office - \$1,500
- Public Works Equipment - \$15,936
- Pedestrian Signs - \$4,000
- Sidewalks - \$32,900

The allocated dollars for 2020 Capital Replacement Fund are \$228,889.

Clerk/Treasurer, Kuhnly asked Jonathon to discuss the Unassigned Fund Balance. Jonathon explained when they looked at the audit, one measurement of the finance health of the Village is unassigned

funds; which is the true reserve of the Village. Currently at \$60,000. To look at finance health, take the reserve (unassigned funds) and the General funds expenditures of \$ 655,332. The Village's fund balance policy states it should be around 25%. The Village is at 9%. Currently the reserves are sitting (earmarked) in Capital Replacement and Street Funds. And by taking this into account, the Village is around 23%; so this is around what the fund balance policy states. Jonathon stated that from a budgetary standpoint; he fully supports this. But, if attempt to borrow a significant amount of money, outside the State Trust Fund Loan, the Village may need to address this and move funds out of the Replacement Fund into the General Fund. President, Roberts reiterated that the General Fund is debt free.

In regards to the Water/Sewer Fund, there are some major projects on the horizon. Jonathon said the Village will need to know what the total costs will be for the cleaning the sewer ponds and water tower painting. Will then need to get Public Service Commission (PSC) approval. They will want to know cost and how the project(s) will be financed. Sewer rates are unregulated by PSC but water is. President, Roberts asked Jonathon how healthy the Village's Water/Sewer funds. Jonathan said regardless of the pending major protects; the Village should address increasing water and sewer rates. Sewer rates can be done without permission but water rates need PSC approval. The sewer rates were last increased in 2009 and water was last increased in 2012. President, Roberts told Utility Chair, Sears that a Utilities Committee meeting should be scheduled, early in 2020, to discuss rate increases.

The new General Fund Tax Levy will be \$336,922. The total Property Tax Levy will be \$386,088.

**IV. ADJOURNMENT.** Motion was made by Trustee, Maloney to adjourn the Budget Workshop Meeting at 7: 38 p.m., seconded by Trustee, Sears. **Motion carried 6-0.**

Respectfully submitted,

*Debra Doriott-Kuhnly*

Debra Doriott-Kuhnly, Clerk-Treasurer

October 15, 2019

\*\*\*These minutes are subject to approval at next month's Regular Meeting.