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**VILLAGE OF WEBSTER**

# BUDGET WORKSHOP MEETING MINUTES

Wednesday– October 20, 2021 @ 6:00 p.m.  
Webster Community Center  
7421 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, Tim Maloney; Bill Summer and Charlie Weis. Others: Auditor, Jonathan Sherwood – CliftonLarsonAllen; Public Works Director, Jay Heyer; Police Chief, Stephenie Wedin and Clerk-Treasurer, Debra Doriott-Kuhnly. Trustee, Widiker arrived at 6:13 p.m.; Trustee, Sears arrived at 6:14 p.m. and Trustee, Gustafson arrived at 6:15 p.m. Absent: None.
- III. 2022 BUDGET DISCUSSION:** Village President, Roberts gave the floor to Auditor, Jonathan Sherwood. Jonathan informed the Board that the 2022 budget is preliminary but the state aids, salary increases, and fire dues have been updated. He notified the Board that there was a budgeting error in the 2021 Budget. In the line item for Full Time Police Officer Wages, Jonathan calculated in the benefits and FICA for all the Officers but only one Full Time Officer's wage was in the budget. This is the reason this line item shows over budget for 2021 Year-To-Date (YTD) and Year-End Estimate(YE). This is fixed in the 2022 budget. Due to this correction and taking into account the Levy Limit Worksheet components, it only leaves \$12,600 for the Capital Replacement Fund and nothing left over for the Street Construction Fund. The Village is still eligible for the Expenditure Restraint Program (ERP) in the amount of about \$14,000. He reviewed the 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 .384% to bump up the levy. Less the adjustment of \$6,527.78 for personal property aid (this amount is now reflected as a revenue line item as State Aid so not losing out on this money), resulting in Allowable Levy of \$389,337. Another thing available is on line 9; total adjustments. This common adjustment is for any new general obligation debt. In 2022, the Village has a debt payment due for the skid steer and solar install project. The levy will increase by approximately 1% and on a \$100,000 assessment, the levy would increase by approximately \$13.00. But keeping in mind the equalized values are not yet available from the State, so Jonathan used last year's numbers. At this point in the budget, the Property Tax Levy will be \$384,962 (Village General Fund). Jonathan said the budget is in balance and the expenses will mirror what was adopted in 2021. Jonathan informed the Board that for the Capital Projects that will be completed in 2022, the financing will most likely come from issuance of long-term debt.

The board then reviewed the budgeted Revenue accounts. Jonathan pointed out the money received from ARPA is not reflected in Intergovernmental Grants/Aids; it is in its own Fund. Total Revenues are \$714,350. \$384,962 is Property Tax Levy for General Fund (the big change from last year is the correction in Full Time Police Officer Wages and all the known increases in cost) and \$329,388 from other Revenue Sources (line item added for Police Liaison Reimbursement from the School). Jonathan pointed out that the 2021 Estimated column shows Revenues exceeding Expenses; basically, coming under budget on all the expenses in 2021. There will be a budget surplus of \$72,445. The caveat is the Village issued \$66,000 in debt during the year but, due to timing, have only paid out \$33,000 in incurred expenses. So, there will be \$39,445 added to the reserves/fund balance at the end of 2021.

Jonathan said from an outside perspective, a Village wants to have reserves, unassigned fund balance, on hand. The Village has an unassigned fund balance policy that states at a minimum it should have 25% of general fund expenses. At the end of 2020, the Village was at roughly 19.7% and adding the two (2020 and 2021) together the Village meets the 25%. He said he sees Villages our size at 33-50% as a policy to pay for major capital needs. The Village of Webster typically pays for these with long-term borrowing and this method is a benefit for better bond rating and cash flow isn't an issue. From an auditor's perspective, he recommends our current method and unassigned fund balance policy.

Next, the expenditures were discussed.

### **General Government Expenses:**

Most of this matches the 2021 budget with minor increases due to wage and benefits. Trustee, Maloney questioned why not increasing the budget for Property/Liability Insurance based on the 2021 YE estimate. Jonathan said a portion of this expense should be allocated over to Water and Sewer Fund and this typically has not been done. He will allocate this before YE.

### **Public Safety Expenses:**

Part-time Police Officer wages was eliminated for 2022. Very little was used in 2021 because of the staffing of Full-time Officers. President, Roberts brought up that the Ambulance contract will be up for renewal soon. Trustee, Widiker asked about the 2021 YE estimate for PD Clothing Allowance as significantly higher than YTD actual. Jonathan said this was YE actual for 2020. After discussion with Chief, Wedin this estimate will be reduced and budget for 2021 will stay at \$1,500. Jonathan said typically the Clothing Allowance is for special (personalized) things that officers want, i.e. their favorite gloves; they buy, turn in receipts and get reimbursed. To suit up a new officer, Jonathan said this would go under the Police Expense line item not Clothing Allowance. Trustee, Widiker asked Jonathan to explain the background of \$10,000 for Public Fire Protection. Jonathan said this figure is calculated by the PSC; based on the Village's rate case. The Water Utility charges the General Fund for the use of the hydrants. For the upcoming 3% rate increase, PSC can increase the amount for Public Fire Protection. Roberts said we budget the \$10,000 expense but we charge customers on the utility bills. Jonathan stated it is an expense to the General Fund and Revenue to the Water Utility. Trustee, Gustafson questioned why the Ambulance line is \$38,931 for YTD 2021 but 2022 Budget shows \$33,750. Jonathan said it looks like the budget hasn't changed since the agreement was put in place and obviously the costs would have been increasing with the agreement. He didn't have the 2022 estimates available. Kuhnly will check the agreement and report back to the board. Jonathan recommends looking at the new agreement for 2023 and will budget accordingly.

### **Public Works:**

Jonathan pointed out new line item for Solar Energy Expense. Since there is long-term debt associated with it, Jonathan asked if an agreement is in place to not exceed \$66,000, what if larger? what if less? President, Roberts said it will not go over the \$66,000 and might come in less. Trustee, Summer said right now, looking at \$8,000 less and there maybe an additional incentive. Jonathan said if it comes in less and there is long-term debt issued, the State Trust Fund says the money should go to the loan. Roberts asked Summer if NW Electric will pay us for the solar energy. Summer said it will be deducted off the water tower meter as a credit on that bill, yet he thinks there maybe the option to give a yearly check. Jonathan brought up the water tower meter utility bill is an expense to the Water Utility. The investment is by the Village not Water Utility – these are two distinct entities. If it is a credit on the bill,

technically the credit should go to the Village (not Water.) Summer explained the billing will have kilowatts made and kilowatts used so will be able to see what the water tower has used. Trustee, Weis said there will come the time when there is no longer a debt; just taking in revenue. Regarding the Street Repair line item, Heyer informed Jonathan, earlier in the day, of an additional project that will still take place in 2021. That expense, of an estimated cost of \$31,8000, is currently being accounted for in the Street Construction Fund. Heyer brought up funds from 2021 needs to be set aside for the street project that the Fahrner can't do until 2022. (This had previously been discussed with the board and Jonathan.) Jonathan said this amount is not reflected in the budget. But at the end of this year, he will take the amount left in the Street Repair General Fund and set it aside in a fund balance assignment, where there is planned expenditure but can't get to it. He will explain on the financial statement that it is earmarked for this project.

**Health and Social Services:**

Budget is set the same as last year.

**Culture, Recreation, Education:**

Jonathan commented that this department is historically over budget and recommends being mindful of what the budget is vs what actual expenses are. Trustee, Maloney told Jonathan that Parks & Playgrounds is over budget because the tennis courts had to be redone and doesn't see going over budget by \$5,000 again. President, Roberts asked if Events/Celebration are over budget due to Fireworks, but we get donations to offset the expense. Kuhnly said there will be a journal entry crediting this account because she used the wrong account when paying for Main Street Flowers. Jonathan said donations are under the Revenue on page 2. Trustee, Gustafson commented on Dog Park Expenditures and thought the Village was not supposed to incur expenses.

**Conservation & Development:**

Budget is set the same as last year.

**Debt Service:**

This line item has been updated for the projected 2022 payments. President, Roberts stated the Library will likely pay off their loan in 2022. Jonathan said that is impressive.

Contribution to the Library Fund will remain at \$42,147.

Total Proposed Expenditures for 2022 Budget are as follows:

- General Government - \$152,659
- Public Safety - \$318,815
- Public Works - \$139,570
- Health and Human Services - \$3,150
- Library Levy - \$42,147
- Other Culture, Recreation and Education - \$41,855
- Conservation and Development - \$2,200
- Debt Service - \$13,954

Total 2022 Expenditures - \$714,350 for a 8.86% change from 2021.

Total Proposed Revenues for 2022 Budget are as follows:

- General Property Taxes - \$384,962
- Other Taxes - \$16,000
- Intergovernmental - \$256,113
- Licenses and Permits - \$7,535
- Fines and Forfeitures - \$12,000
- Public Charges for Services - \$3,630
- Intergovernmental Charges for Service - \$12,600
- Miscellaneous - \$21,510
- Transfers from Water Utility - \$0

Total 2022 Revenues - \$714,350 for a 8.86% change from 2021.

**Capital Replacement Fund:**

At the end of 2021, the projected reserves in the Capital Replacement Fund are \$46,704.

As discussed earlier, there is \$12,600 that will be added to the Capital Replacement Fund for 2022.

The \$12,600 will be allocated to New Office Building. A total of \$15,064 is earmarked for remodeling the New Office Building and Jonathan asked how the remaining will be financed. Trustee, Maloney said the Village will have to borrow the money. Trustee, Weis said there is a need for speed control signs on the north side of the Village. Trustee, Maloney commented that the Village should start putting money aside for future replacement of police and public works vehicles. President, Roberts confirmed with Jonathan that money can be moved around in the Capital Replacement Fund if needed. Trustee, Maloney said the overhead door on the cold storage garage needs replacing. Jonathan said this should be expensed out of Public Works General Fund. Public Works Director, Heyer confirmed grapplers for the Bobcat could come out of the \$6,000 earmarked under Public Works Equipment.

Listed below is the 2022 Capital Replacement Fund earmarked by the board:

- Squad Car - \$6,000
- Office Building - \$15,064
- Computer (PD & Clerk/Treasurer) - \$3,000
- Property Razing - \$10,000
- Police Vest - \$3,000
- Public Works Equipment - \$6,000
- Pedestrian Signs - \$4,000
- Sidewalks - \$12,240

The allocated dollars for 2022 Capital Replacement Fund are \$59,304. There is \$0 in unallocated funds.

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

The Street Construction Fund ending balance is \$25,265 for 2021. This amount will carry over for use in 2022. There is \$0 new allocated dollars for 2022. Trustee, Gustafson expressed concerns with the small amount for Streets. Discussion ensued on additional options to pay for Street Repairs and Construction in 2022.

The new General Fund Tax Levy will be \$384,962. The total Property Tax Levy will be \$397,562 (*general fund \$384,962 + capital replacement fund \$12,600 + \$0 street construction fund*).

Jonathon went over the estimated Village Tax Rate Calculations; property tax levy, equalized value, estimated mill rates and estimated Village Tax on \$75,000 and \$100,000 Assessments. Jonathan said the Village is underneath the limit that it is eligible to increase the budget by and still get the Expenditure Restraint Payment. So, the Village could increase its budget (taxes) by an additional \$12,511. The Board did not want to increase the residents' taxes.

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

Respectfully submitted,

*Debra Doriott-Kuhnly*

Debra Doriott-Kuhnly, Clerk-Treasurer

October 20, 2021

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