

**VILLAGE OF PLEASANT PRAIRIE
PLEASANT PRAIRIE VILLAGE BOARD
PLEASANT PRAIRIE WATER UTILITY
LAKE MICHIGAN SEWER UTILITY DISTRICT
SEWER UTILITY DISTRICT "D"**

9915 39th Avenue

Pleasant Prairie, WI

October 23, 2006

Immediately following the 5 p.m. Plan Commission Meeting

A Special Meeting of the Pleasant Prairie Village Board was held on Monday, October 23, 2006. Meeting called to order at 6:10 p.m.. Present were Village Board members John Steinbrink, Alex Tiahnybok, Steve Kumorkiewicz, Jeff Lauer and Mike Serpe. Also present were Mike Pollocoff, Village Administrator; Kathy Goessl, Finance Director and Jane Romanowski, Village Clerk.

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. NEW BUSINESS

A. Consider and Approve final pre-referendum 2007 General Fund Budget.

Mike Pollocoff:

Mr. President, at our last Board meeting we had reviewed the proposed budget, departmental expenditures and departmental revenues, and the proposed capital both for next year and for the five year capital improvement period as well as program additions and reductions for the fiscal year. Where we left off was to provide the Board with an opportunity for another week to examine if there's other areas or modifications that the Board would like to either reduce or change funding within the final, within the base we have.

Right now as the budget sits we've got a budget that funds operations, it funds a certain level of capital to provide for squad cars, pick up trucks, some servers, and any of the additional capital related to an ambulance, jaws of life, heart monitors, defibrillators and a snowplow truck are outside the limit that's been set by the State for how much the Board can raise the levy. So any recommendations the Board has now in additional cuts to make in the budget would do one of two things. At least it would be my recommendation that those savings go into the capital program for expenditures.

If for some reason the referendums don't pass, it gives the Board some opportunity to modify the budget based on the results of the referendum, or put it into the capital improvement fund because next year we'll be faced with, if the referendum doesn't pass this year and we don't have enough money to buy the equipment we need, plus we'll have additional equipment next year. Kathy, if you'd go to the five year CIP screen. I think that lays it out better than most. Every year we have a listing of capital that's predicated based on the age of our fleet or equipment or things that we purchase. So every year that we defer capital that capital goes to the next year and gets added to the capital planned for in that coming year.

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So you can see in 2007, and this is, again, my understanding of road work, we have \$1.2 million that is in the general fund five year plan. We're not funding that entire amount. Park improvements didn't make the cut. Fire and rescue is primarily the ambulance, the defibrillator, the Hurst tool. Rescue equipment related to a truck and trailer unit wasn't funded. Not all the IT improvements were funded. We have \$9,000 that we're requesting in the general fund budget. Parks, none of that was funded. Police, \$100,000 in replacement squad cars was funded. Public works the snowplow is on referendum. The front end loader wasn't funded. Other departments some other capital needs weren't funded.

But if you look at 2008, again, there's a number of items sitting out there next year. Probably the ones that come to mind that become more critical as time goes on would be, again, additional snow plow as their plows keep approaching 20 years old, that time frame, we need to replace those. So if we don't replace one this year we'll have one next year to replace in addition to the one we didn't replace this year.

All the equipment that we're purchasing, assuming that the referendum is successful, we're not going to purchase that equipment January 1. We're going to let proposals go and get the purchase going so that in the case of the snowplow we're going to be able to plow snow with the plow we're going to retire the beginning of this year. We have problems with them now, but by the time we reach the second winter season in 2007 which will be November we'll have that plow available. It takes a while to get that as well as it does the ambulance, so those aren't on the shelf. So all those items we're requesting, the big ticket items, the ambulance and the plow, we're going to be able to do business for a good part of 2007 but it's going to take a year to get that thing out to bid and get it constructed and built and delivered to us.

So that would be my recommendation for any surpluses, because as you look at that number each year you've got \$1.2, \$2.2, \$4.5, and that \$4.5 includes station #3. Do we need station #3 in 2009, 2011, 2010, really I think the development of the Village is going to dictate that to us, but I think we need to recognize that that expense is out there and it's one we're going to have to deal with. We are collection impact fees towards the construction of station 3 so when that happens we'll either have a certain amount of money in hand or we'll have some reasonable expectation if we're going to issue bonds on that but those bonds are going to be able to be retired by continuing to use impact fees as that station is built. That one probably has a lot more flux and the associated equipment that goes with it that we lost the impact fees, so that would have to come from the levy.

Our capital issues don't go away. All indications are the freeze is going to, irrespective of who is elected Governor, is going to continue for another four years. So how we deal with that environment is going to be a mix of future referendums on how we handle capital plus whatever cuts we make in the general fund budget. So with that, any comments the Board has or recommendations.

Jeff Lauer:

For our 2009 for fire station 3, that \$1.2 is for vehicles?

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Mike Pollocoff:

Just the building. Then if you look at the number above it that's equipment related. So we need equipment to go in that station when it opens. Those are funded out of two separate accounts because when impact fees were taken away from us we don't lump those together because that's something that does have to come from the general taxpayer, and some of the fire station 3 itself will have to come from the general tax roll, but a good chunk of it will be covered by impact fees for just the building. Again, that doesn't take into consideration the staffing for station 3. But probably more than anything what will determine what will build station three is at some point there will be enough development between H and U, which is that area of the Village, where we're not going to be able to make response times in an acceptable manner. That's an outgrowth of how many cars are out there, how many people they have to get past to get on a call, how much development there is. At some point whether it's Abbott or whoever and they look at their insurance ratings and they're that far from a station, if they're near a station here at the Village Hall or Highway C and H, just like we saw at the development at WisPark it gets to be untenable if you can't guarantee a certain level of fire response within a certain amount of time. So station 3 is a variable. It's in there. It definitely isn't going to happen next year or the year after, but the soonest it would be is 2009 and we'll probably have a better handle on that this coming year.

John Steinbrink:

Other comments or questions.

Alex Tiahnybok:

I've had a long and hard day, and believe it or not I don't feel like arguing. I spent a lot of time with these two books over the course of the last several days. And some of the comments I made last week I'm still sticking behind. We're proud of how our Village is run. We often say that, and in my opinion when you have to go to the people to ask for more money there's something broken. I still believe it's bad planning. The tax freeze that Governor Doyle took credit for signing in one of the debates wasn't unexpected. It was implemented as of last year. It's not something that's been coming for or implemented over a course of many years. Anything that the Village has done prior to that was voluntary.

I understand there was political pressure to keep the levy increases down, and as a result there was a lot of shortcuts taken. The bottom line is we have a problem now and you can't deny it. If you have to go to the citizens to ask for more money that's a pretty hands down argument that there's a problem. I doubt there's any other community in Wisconsin that's going to referendum for things like jaws of life. I absolutely agree it's necessary but I don't think anyone else is doing that.

It's often said up here that sometimes we have to make tough choices. Again, I spent a lot of time looking at the budget. I think it was essential to hear Kathy's final proposal put together last week before actually making any comments on it. I spend my time in the business world and I think in a similar fashion to business the greatest expense a government has is personnel costs. In business when companies aren't doing well or are operating in the red, pay freezes are

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implemented. I've been on the receiving end of that a couple or three years in my life and that's just the way it goes.

I believe the leadership of this Village, and I guess it's a matter of choice where you draw a line, has to be out in front of this. I think that includes everyone that's sitting up here. It includes anyone that is responsible for deciding how and where to spend money. Again, this is not fun. But I think it's the responsible thing to do. There's pretty much a Village wide salary increase of 3 percent. I think it would be unfair to penalize people that are out there plowing the streets or police officers or fire medics with that, but I think there is a responsibility that needs to be drawn somewhere. And taking 3 percent at department head levels and above saves \$28,000. That would be my first recommendation.

Going through the budget, and Mike alluded to it, we have items that were taken out of the budget because we couldn't afford them. Items like the loader as it was described by the public works presentation some weeks ago that piece of equipment is necessary to load our plow trucks with salt. Short of that piece of equipment being operations we have to resort to I think very inefficient means to load those trucks. I hope it doesn't include shovels but it might. So removing items like that from the budget I think is very risky, and whether or not we would apply the full savings of the items that I've looked at to putting us in a position to buying pieces of equipment like that that really are necessary, it's nice to have new snowplows, but if you can't load them with salt what have you got.

So, anyway, going further on, some of these items don't amount to much on an individual basis, but when you add them all up you wind up with \$190,000 and there's more to be had if one wanted to do that. Things like, and again these individual items don't sound like much but they do add up. There's an increased level of expected need for telephone service in many cases by more than 100 percent. Now, \$1,500 in one case for one department doesn't seem like it amounts to much, and I know there's \$1,600 to another department that doesn't sound like it amounts to much, but then there's a cell phone service expected demand for 2006 that's, again, more than 100 percent increase which is \$3,000.

We have consultant services in the finance department—

Mike Pollocoff:

Do you have totals on this?

Alex Tiahnybok:

Totals of everything I'm talking about?

Mike Pollocoff:

Just as you go.

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Alex Tiahnybok:

I have a total of all the items but not a cumulative one or one after another.

Mike Pollocoff:

Okay.

Alex Tiahnybok:

There's an increase in our budget of \$19,000 for fire and rescue for seminars and conferences. If these seminars and conferences are absolutely vital to doing our job I'm not going to oppose them. But if you can get by with \$19,000 one year and the next year you need \$38,000 that seems like, especially in these times when we're going to the citizens of this Village and asking for more money, I think those are items that need to be looked at.

Jeff brought up last week, because he's in the IT world, he brought up software maintenance which has gone from \$43,000 to \$84,000. That's an increase of \$40,000 for software maintenance. Another IT maintenance agreement, which I truly don't understand what this is, but went up \$4,500 from \$19,000 to \$24,000.

We also discussed the channel 25 and the franchise fee. When you take the 1 percent franchise fee which would deliver \$39,000 to the Village, obviously that sounds like easy money, but somebody is paying for it and the average cable subscriber would be paying \$1.64 a month additional tax. We're putting that money towards offsetting a current cost of \$42,000 for the current operation of channel 25, so there's not much of a net gain there but somebody is paying for it currently and that would be the taxpayer.

We have servers, and I'm going to defer to Jeff on some of these items, but we have an IT expense originally of \$12,000 reduced to \$9,000 for replacement servers. I don't know about you, but I have a couple or three computers in my house and I don't replace them until I need to. If this is truly absolutely critical otherwise everything goes up in smoke then we do it. But, again, it sounds like they're working because they're going to be relegated to secondary status for data storage, etc. If they're working, once again in the year you go to the taxpayers to ask for more money that seems like a luxury to me.

We have a couple of vehicle replacements, actually three different sets I guess. One is a pickup truck for the parks department at \$21,000. Another one is a pickup truck for the public works department, another \$21,000. Again, I wouldn't want to drive around in a 1977 pickup truck with holes in the floor either but, once again, we're asking the taxpayers for more money and I think if we can do without those trucks for an additional year or two, because there's going to be some relief down the road in terms of debt service coming. Not in '07 or '08, but in '09 our debt service is going to drop about \$500,000.

Where we have a plan to replace four squad cars, again, I'm certainly not out to damage that effort, but do we need to replace all four? If you take \$100,000 and divide it by four, once again

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in a year like this you can save \$25,000 by delaying one squad car. I know it pushes it to another year and that's a very valid point but can we do without it?

PC replacements, we have a plan to replace 30 PCs around the Village. If I remember correctly that represents about a quarter of our total PCs in use. That's currently expected to be about a \$22,000 bill. Once again, consistent with my previous comment about servers, do we really need to replace these? I would prefer to, again, considering we're asking taxpayers for more money this year, I would prefer to see us cut that in half. I'm not saying let's gut it completely but there's \$10,800 available. The list goes on and on. There are budget items that are called miscellaneous expense which I realize you can't go down to the penny on everything, but I'm sure there's room for improvement there.

Another issue, and this is strictly because of my experience in the business world, is vehicles. Although it doesn't apply this year, in 2008 there's a budget item in capital expenses for replacing the Administrator's vehicle. If you do the math based on how many miles on the vehicle today and how many miles were on the vehicle when it was purchased, that means the vehicle has been driven about 8,000 miles a year. In the business world I don't think anyone would give anyone a company car for less than 20,000 or 25,000 driven a year. I've been in cases where I've had company vehicles and I've been in situations where I haven't, because my driving requirements weren't nearly as much. The simple solution to that is you pay somebody mileage. Today it's 44 ½ cents. So if you drive a vehicle 8,000 miles you get paid 44 ½ cents. It's cheaper than the Village owning the vehicle and paying for insurance and gas and depreciation, etc. That's another item. That's not included in the \$190,000 that I have.

If you take the Village Board and I'm not separating—a comment was made last week that I was complaining the pay is not enough. Well, it's really not enough. Compared to other things that we can do in our lives I think the amount we get paid is really insignificant. But I'm certainly not complaining that I want more. In fact, I'm prepared to offer myself up as a contributor to this effort. I wouldn't ask anyone to give up a 3 percent raise if I wasn't willing to give up the 3 percent myself and I think the entire Board should do that. That's another above the \$190,000 that's another \$1,600. I think there's room to be more bold on a lot of these things.

When I referred to debt service, our current budget the levy is about \$7.4 million. I think it's important for the citizens to know that currently about \$2.5 million of that \$7.4 million is debt service. I realize the Village has a lot to be proud of, but we're also taxing people to pay for something for money spent in the past and now we have to pay it back. I know \$190,000 or whatever it is, \$200,000 doesn't sound on the surface like it adds up to a lot, but when you compare it to our levy with the debt service included it's a 2.6 percent reduction. If you compare it to the levy without the debt service which is essentially fixed it's 4 percent reduction. So it's not insignificant.

I'm not suggesting what we do with that money necessarily, but I'm concerned about the referendum. The feedback that I'm getting is people say I'm paying enough. Why am I going to voluntarily offer to pay more? By no means am I out to suppress the voice of the people because people need to be heard, and when you have no alternative but to give an issue like this to the people it's a good thing, but I don't think safety, and let's face it the referendum items are

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essentially all public safety related, the snowplow, the jaws of life, the heart defibrillators, the ambulance they're all public safety matters.

And I don't like the idea of having it subject to the whims of the public because people may say no way, I'm not going to voluntarily pay more. We heard about that last week when a lot of folks from Carol Beach were here. So whether we could use this savings or more if we're bold enough to do that to offset some of those costs, the \$190,000 pays for the Hurst tool and the ambulance, or the Hurst tool and the plow, however you want to account for it, but it takes those two items that are I think non negotiable, absolutely necessary, off of the referendum and away from the whims of the voters.

I guess I threw down the challenge last week that comments were made that Jeff and I didn't offer much to this process a year ago, and I know \$190,00 is not enough to set the world on fire but it's certainly a start. I'd like to hear from the other Trustees if you have any ideas. These books have a lot of data in them. I'd like to hear from you.

Steve Kumorkiewicz:

. . . that political speech.

Alex Tiahnybok:

If you think so.

Steve Kumorkiewicz:

I hope so. Jeff, in 2001, 2002, at that time we had a guy calling himself Governor McCallum. He was the one who started previous, you can laugh, the tax freeze. That was when the revenue share was in danger to be cut in all the municipalities in the State of Wisconsin. We were very careful setting up the budgets because they didn't know what was going to happen with that. At that time, I was . . . in one of the parties and I say it's going to kill the local governments in the long run. Now . . . blaming one party or the other, both parties are responsible for this.

I say that Madison is destroying the local governments and I repeat it again. It used to be that the residents paid 50 percent of the taxes and now we pay 70 percent of the taxes. Manufacturing . . . paying 17 percent and now pay 4.1. Who pays the difference? We do. So what we're talking about saving right here we have pencil pushers in this . . . we have people that are . . . myself who knows about the . . . I also was a shop owner so I know what finances are. It's very easy to say we've got this and got that but we've got the human factor -. we're talking about the salary which was set up in 1989 with the Village was created. At the same time the boys in Madison get an automatic 2.6 percent a year that we pay.

In ten years they've got 26 percent. In 13 years . . . in 17 years we have nothing. It's easy if you look at numbers. But we have to look at the human factor. These are the . . . the people working in the office . . . how many times did you take a tour and talk to the people, went to public works, went to the fire department, went to the . . . of the Village . . . I used to come to the Village twice

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a week or three times a week and talk to Pollocoff. Do you do that? No, you get an e-mail. I'd rather sit down with Pollocoff and question the numbers and I see what's going on.

It's easy to say we cut this and cut that and cut a bunch. We don't think of the . . . it's easy to say we can save so much. . . . issue with that we have to take into consideration. Besides being called goons

Mike Pollocoff:

Mr. President, a point of order. I guess in order for myself and staff to respond to the cuts if we can just kind of list out the cuts the Board wants to make in the base budget or any other changes you might have so we can work through those points and then come up to a number that everybody can agree on.

Mike Serpe:

Mike, I agree. A couple things, Alex, as you were talking. \$190,000 definitely sound like a good start. If it could be done I would be wholeheartedly in favor of it. But my question is as you look to cut all the things that are being proposed for this budget, are you just prolonging the inevitable that at some point in time in the future you're going to have to replace those and we're going to be right back to where we are today. You accused the past Boards of not planning for the future. And now you're recommending that we reduce this budget by \$190,000 to \$200,000 which would cause us almost to not plan for the future again.

I'm not an IT expert and I don't know what servers do in their entirety because I'm a little bit too old for that function, but I do know what squad cars do because I've been in them for 28 years. I do know what they're like after a tour of duty and for that reason we don't get very much money when we trade them in because nobody wants them. But to extend the life of a squad car what you're doing is putting the officer driving that vehicle in serious jeopardy along with the public in putting an unsafe vehicle on the road. Not a good idea.

You're talking about taking cuts for the upper management. That sounds good as well, and you being in the business world I know that in big organizations they always strive to get good quality, qualified leaders, CEOs to run their company. We have one right now. His name is Mike Pollocoff and he's doing it for about \$112,000 a year. The award that sits right on that wall was not achieved because of substandard leadership in the Village. We start cutting peoples' salaries in the higher echelons those same people are going to look for greener pastures. And then we're going to see a little chaos take place in this Village that we may not want to face. When somebody comes to the front counter and makes a request it's best that we have the people there to answer those questions in the right way or we're going to be paying for it in a bigger way than saving \$190,000 in this year's budget.

I fear that by starting cutting this and starting cutting that I don't know what the life expectancy is of this thing and I don't have a crystal ball, but assuming they start breaking down and you need replacements, you start cutting these items with that kind of money you're going to be dipping into reserves. When you start dipping into reserves your bond rating starts to have an effect.

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Right now we have an excellent bond rating so when we do have to borrow money we get a very good rate. We reduce our reserves to the point of critical we end up paying in the long run. So being penny wise and pound foolish I don't know that this is the time to do that.

Jeff Lauer:

I have a couple thoughts and ideas as well. Alex, just for clarification, you didn't say cut anybody's salary, did you?

Alex Tiahnybok:

Not at all.

Jeff Lauer:

And didn't you mention in the third year something about the debt, there would be \$500,000 more for the Village, correct? What year was that?

Alex Tiahnybok:

The budget shows \$2.6 million debt service next year, \$2.6 million again in '08, \$2.06 million, that's the \$500,000 difference in '09, and then a further \$300,000 reduction, and these are all great things in debt service because that means we're paying less debt and we're paying less interest, too, \$1.7. So as long as we don't borrow more in the near future I think three years about things are going to become a lot better based on debt service. Maybe the freeze is going to go away, who knows, about that time.

Again, and you said it, Mike, what are we going to do if the referendum doesn't pass? Then we've got these really critical items that kind of goes to the point Mike was saying, things that we need. We're putting those things that we need, really need, above everything else that I suggested or below everything else I suggested depending on how you want to look at it. That's the part that seems kind of upside down to me. These are really critical items and we're pinched as it is right now. Instead of freeing some space up to maybe have to buy those things we're saying, no, let's not touch anything, it's all perfect, and let's roll the dice. And I don't see how we can afford to roll the dice. I'm trying to find a solution and, frankly, I don't want to argue.

This is my offer. If it's all good, great. If none of it is good I guess that will be the decision that the majority will make today. But I think the responsible thing is to at least, and this happens—it's interesting in the business world when things go sour it's generally the people at the bottom that get nailed. I'm not doing that to anyone that's driving a truck or an ambulance. It's the people that are involved in the budgeting. Just for a point of reference, this is—I'm not going to say anymore.

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Jeff Lauer:

The other thing I'd like to add, there's a couple things I wrote down. It is crunch time and we do have to make tough decisions. I'll offer each Board member, four of us, get \$1,200 a year for mileage. So if you take that times four that's \$4,800. The President gets \$1,600. If you take that, that's \$6,400 that we can take right there that we can put in capital, capital improvements, whatever. And, you know what, if we're really, really serious, you throw in the cable channel 25, \$39,434, that's \$45,834 we can put in capital improvements.

The question, and Alex you mentioned some things that we should take up I think as well. If you take that, what's more important, channel 25 or capital or reserves or a front loader, a police car, a snowplow? What's more important? What is the priority? Channel 25 which some Board members have said it's boring and dull and nobody would watch. There's \$45,834 right there. I'm willing to say, hey, I'll give back \$1,200, not a problem.

Mike Serpe:

Mike, you correct me if I'm wrong on this. The channel 25, the \$39,000 that we have elected to go to the franchise fee to collect, that's the 1 percent. I don't know where you got your number, Alex. You must have a big cable service in your house. I only have one that's \$52 a month so for me it's 50 cents.

Alex Tiahnybok:

The budget shoes \$1.64 average.

Mike Serpe:

Okay, alright. But the \$39,000 that's in the budget is coming from the 1 percent franchise fee. We took it out of the general. We agreed to that to put it on the franchise fee. Now, if we eliminate channel 25 how can we start collecting a franchise fee for something we don't have? So that \$39,000 is gone. If you eliminate channel 25 you don't have the \$39,000 because we're not going to be doing the franchise fee. Am I right or wrong?

Mike Serpe:

Right. The budget reduction I took was to remove channel 25 from the general tax levy and say if we want to have it we have to fund it through the franchise fee. So if you decide not to have the franchise fee, you don't have channel 25, the general fund doesn't have \$39,000 expenditure so it's already gone. That's already taken.

Jeff Lauer:

Does it cost anything for channel 25?

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Mike Pollocoff:

\$39,000 for what we have right now.

Alex Tiahnybok:

\$42,000.

Mike Pollocoff:

\$42,000, yes.

Jeff Lauer:

It's currently costing the Village \$42,000 to have channel 25?

Mike Pollocoff:

No, it's already gone. We're just saying if we want to continue having channel 25 the way it is it's not going to be funded in taxes anymore, we'll have to have a 1 percent franchise fee. So to say we're not going to have the franchise fee just means we're not going to have channel 25. We're not going to fund it through the base. That's already been taken as a cut.

Jeff Lauer:

I think I'm confused. What happens if we don't have the franchise fees. Can we still have channel 25? It's costing the Village, the general tax roll, to pay for it? So if it's costing the Village currently to pay for it if you get rid of it that's no further an expense, correct?

Mike Pollocoff:

Next year, January 1, if we don't fund it through the cable fee that function is gone. What we might have is a PowerPoint presentation on it What we have right now, the level of service we have on there now would go away.

Alex Tiahnybok:

This is very interesting the way we're all looking at this because, Jeff, you're correct that currently according to the budget \$41,911 is how much channel 25 is costing the Village currently to be operated and it's on the tax roll. We're saying, oh, well let's just create this 1 percent franchise fee and it's no longer a problem. And I think it's just a matter of philosophy. We're looking at it from the government perspective and we're saying we're going to collect the 1 percent franchise fee so it's no problem anymore but the money still needs to be paid. I think what's being missed here is the money is still going to be subtracted from subscribers of cable TV. I guess if you're not a cable subscriber you're not paying for it and I think that's a good thing. I'm very much in favor of user fees rather than general levy taxes, but somebody is still

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paying for it. I think just to ignore the fact that somebody is paying for it is foolish. It's still a \$42,000 operation that needs to be funded somehow and it's just a matter of how it gets funded. Whether it gets funded from the levy or a direct tax franchise fee to the users it's still being paid. So to say it's not there anymore is really kind of—

Steve Kumorkiewicz:

It's out of the general fund. That's what they're talking about.

Mike Serpe:

I guess philosophically, and we've done this in other areas of the budget, we've really tried to draw that connection between who's benefiting from the service and who's paying for it. Based on the percentage of households we have in the Village that are on cable, and I can't remember that number right now, the only people that benefit from that are the people who would be charged the franchise fee are the people who have cable TV. If they don't have cable TV, right now in their property taxes they're paying for it.

So what this does is if you live in the Village and you don't have cable TV your money is going to something else in the general fund, and if you have cable TV and you have access to channel 25 and can view it, then you're going to pay whatever your cable bill is because it's a percentage of what you buy and that's what you're going to pay. That's really where we're getting it from.

I don't dispute somebody is paying for it. I don't think anybody in the Village Administration or staff is so naive that we don't realize that people are paying for bills that we come with the fees, but we're just trying to make that relationship so that we're not nicking anybody who doesn't have access to service. Right now if you don't have cable TV and you don't have channel 25 you have to come and sit in the lobby at Village Hall. That's the only way you're going to see it. That's why we separated that as a fee.

If there's any more recommended cuts, I guess I'd like to go through these. I don't know where you guys are.

Steve Kumorkiewicz:

You say you took it out already from the budget.

Mike Serpe:

If the fee isn't funded channel 25 ends.

Mike Serpe:

I'd like to hear Mike's response to the cuts.

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Mike Pollocoff:

I think probably from an overall perspective, and I take exception and I disagree with Trustee Tiahnybok that the budget was poorly planned. In 2003 the Village Board made a policy decision that, one, there was an outcry for property tax relief and that property taxes should be frozen. Prior to that when the Board determined when we're faced with situations like we have now that we needed capital or we knew what our five year plan was, a certain amount of our budget was set aside for capital expansion.

When you do that, two things happen. One is you're saying to the residents we're going to collect more money from you now because we're going to need it later, so people are parting with a certain amount of disposable income to the Village that we might not spend for two or three or four years, and if we spend it we spend it. At that time it was deemed to be the more appropriate public policy goal was to limit the expenditures of local government. That was the whole purpose of the tax freeze cause. It's still the purpose of the tax freeze cause.

This budget hasn't been mismanaged. This budget has been reviewed each year by independent auditors. Each year the Village's operations and budgets are reviewed by the rating companies, by Standard and Poors and Moodys. We're operating well within the requirements that we have to operate in, and that is a freeze environment. We knew last year we had a freeze. We knew coming into last year we had a freeze. That was statutorily the effect.

So what we're doing now is exactly what the statutes call for us to do. It's not bad government. Whether you like it or not it's what the statutes require us to do. We're not the City of Kenosha or any other community that has a mill rate that's over 5 mills. If our mills rate was over 5 mills we would actually get more money from the State because our mill rate was so high. We don't qualify for that disparity spending. The previous Boards have decided we're going to only collect the amount of money we need, and when we need more we'll raise the levy and get more.

Now the only thing that's changed is the Board has no authority to unilaterally raise the levy. You can't get more. You have to go to the voters. That's how government is working right now. And there are a number of communities, especially communities that have been frugal in their budgets that are facing referendums this year. There's a number of them. When I say a number there's more than 20 that I know of in southeast Wisconsin. They're faced with the same things we are. They have growing needs. Typically they're growing communities and their budgets are frozen so that anything more they need they have to go to the public. That's what the whole goal was of the property freeze tax legislation was to limit spending and put that onus back on the taxpayers to answer the question whether or not the community should get more money. We'll find out what that is in November.

I don't want anybody to leave tonight thinking that in 2003 the Board directed myself or the finance director or it was my recommendation let's run this thing into the ground and see how fast we can go. The policy decision was is there is an outcry for tax savings. I know I've heard from everybody that that's what they want. I think as candidates the two newer guys made that statement in their campaigns. The Board members in their campaigns said they've held the tax rate down which they have and they've done that.

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People in Pleasant Prairie are getting a significant amount of service for \$3.50 a thousand. We have the lowest tax rate and the lowest average cost per government than anybody around here. I don't care what house you live in. If you live in a million dollar house you have million dollar taxes. If you live in a \$200,000 you have \$200,000 taxes. Wherever you are you're going to have that issue. But that's the kind of government and that's what public finance is right now in Wisconsin. If you don't like the referendums that's the statute we live with. It doesn't matter whether we like them or not. That's what we have to do. Every year the State is going to tell you you can't go over this level, spend what you will up to that point, anything over and above that that's what you have to ask for a referendum on.

With respect to freezing department head wages, I think personally it's more symbolic. I think that might be the most expensive \$28,000 we ever saved. Trustee Tiahnybok your Village government is dealing with issues that most villages are dealing with. You have a Village staff, planner, fire chief, engineer, police chief dealing with a major pharmaceutical who is locating a business here and you're relying on professionals to be able to analyze those plans, review to make sure what's build is in the Village's best interest, and your people that do that I would match up any department head that works in this Village with any City in the State, definitely any City in the County. You have a staff with people with graduate degrees, graduate training, advanced work that provide a level of work with a staff smaller than most communities.

To reward them with no increases for what is perceived lack of planning it truly is really just more policy that you don't agree with of how budgets have been developed I think is not the message you want to send to your management staff or to the employees. I guess I disagree with that. I think that if we're at the point we're willing to sacrifice your professionals' salaries not because we're truly in financial trouble, we're dealing with just a new set of rules of how we collect money. It's not anybody's fault. That's what the new State rule is. And what got us in this position is that this Village has been frugal and that's what it is. It's not anybody's fault. That's been a policy decision that's been made long ago and now it's a State law.

With respect to telephone service I know we've had some increases from two respects. One is that, especially with our land lines for public safety, we just get more calls. We've had more and more calls and we've typically under budgeted that. With cell phones we've moved some people into cell phones that weren't in there, and our cell phone contract came up and the cell phones are more expensive than they were. I think we're talking about \$1,500 worth of cell phones. If it would make the Board feel more comfortable we could get away from cell phones and go back to pagers. But it makes your staff that uses the staff phones less accessible.

The other thing I might add is we've taken a lot of people off the radio frequencies and the radios are a lot more expensive to have and maintain than a cell phone. Right now we use a phone system that's point to point and it's a lot more efficient and a lot less costly than it is to have the radios. That's one reason we're using that.

\$19,000 for fire and rescue that was the first question out of my mouth. It's kind of interesting. When we talk about getting rid of channel 25, what's channel 25 done for you? For the first time in 20 years for the Chief we've got a full complement of paid-on-call people. We have people

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that are coming to the station wanting to be paid-on-call firemen, paid-on-call paramedics. These are guys who work for \$7 on a call. They don't get \$7 per hour. They get \$7 per call. And we have a whole new group of people. And every time we hire one of those people that's a paid-on-call person, we're not hire a full boat of fire medics. God bless those guys. I don't have any problem with the full-time fire medics. They're the backbone of this service and we've got to have them. But all things being equal we'd have more of them but we can't afford it. But we have paid-on-call people and the Chief does an excellent job of balancing those two.

You know what. You get some people and you've got to send them to paramedic training and you've got to send them to fire training. That doesn't come cheap. Paramedic training is what now, Chief, about \$1,500 a throw?

Chief Guilbert:

\$4,500.

Mike Pollocoff:

So we could stop sending people out to paramedic training. When we get that many people that are beating on the door that want to be a paid-on-call paramedic or a paid-on-call fire fighter, I think we do everything we can to bring them in and welcome them and get them trained. If we can bring somebody in as a paid-on-call paramedic that's going to get paid by the call and who is going to help support the staff here, you're saying that reduces our dependency on a \$70,000 fire medic. To me that's just smart. That's cheap money, and if we're helping some guys that are going to do something for us that we need help with, and the fact that channel 25 is out there, we've tried everything to get people to learn about this and get involved in it and do it. We get channel 25 up and running and all of a sudden we're inundated with people who want to be fire medics.

On a secondary note, we get channel 25 up and running, all of a sudden we have a lot less problems with out people put their garbage cans out. They look at the thing on the TV and, oh, you get the wheels to the back and the lid goes open to the front and all of a sudden everybody starts figuring out this is how it works. The first couple of weeks it was nuts. Garbage bins were all over the place. They must be watching channel 25 because that goes out and all of a sudden our problems go away.

Software maintenance, I can have Ruth come up and describe that again, but we have the Microsoft maintenance packages and the updates. She's better versed at describing that than I am, but I do know that when we let one of our software packages go out of compliance and there's not a maintenance agreement for it and we have a problem then we're paying per hour to get it fixed and we can't get it supported. Ruth, do you have anything that further describes that? I need you to come up to the mic so it goes on the record.

Ruth Otto:

The reason why the Microsoft increase was so high is because we're up for renewal on our licensing for Microsoft. I you go back to previous budgets, you're going to see zero dollars there

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for Microsoft. We have all Microsoft products throughout the Village, so if we don't renew that license now I have to pay per seat for every office and Windows product, server, so it's a requirement for me to run Microsoft. It's a legality issue.

As far as other software maintenance, it's just like Mike said, that covers software maintenance for our financial software, our police software, all our other software that runs our business. If we don't pay maintenance on that software the first time we have a problem we can't get a patch, we can't get a fix, we're paying per the hour and it's big bucks.

As far as the other maintenance, hardware maintenance, that's covering all my switch equipment. It's the stuff that connects everything in the building. We don't have to pay maintenance on any of that, but as soon as something fails now we're going to be paying a lot more money to replace pieces and parts for it. It's all preventative maintenance is what we're talking about.

In response to the servers and the PCs, actually I had a server that never got replaced and it burned up. It held all the data for our courts. We were lucky enough to recover the data, and so this puts us in a position where we're not waiting until the last minute for something to burn up. This equipment is five or six years old and it's ready for it to retire. I don't want to wait until the server fails and now I have a Police Chief who is wondering why his software is not working to handle 9-1-1 situations, or a Finance Director wondering why she can't get access to financial records or any other department in the Village. So that's a preventative situation.

In response to the PCs, again those are PCs that are four years or older and it's time to cycle them out. They're out of maintenance at that point, and now it becomes very not cost effective to keep them. If I have a hard drive failure, if I have a board that dies, not it becomes very ineffective and I have to spend a lot more money and support hours to support that old equipment. I have a very small staff, so I have one individual who does support everything so I have to consider those dollars as well. So that's what that's about.

And one more thing about channel 25, I did try to explain this but it does save us a lot of money. It saves us a lot of money as far as on the back end like Mike was saying. The equipment that runs channel 25 we already own. It was bought and paid for by the RecPlex. It didn't come out of the general fund. And the dollars that we're talking about for that 1 percent franchise fee is basically above and beyond hours that are spent by people that are already employed by the Village. By eliminating channel 25 you're not eliminating anything as far as dollars and cents. You're just eliminating a good service.

We had a water break and it went up on channel 25. The phone calls stopped coming in down to the Prange Center. People were aware of the water break that occurred. That's just an example of the service of that channel. Any other questions I can answer?

Jeff Lauer:

Just one. Ruth, for those licenses and maintenance for Microsoft, approximately if you know, does it include Word, Excel, Access? Is that a big chunk of it or no? Is it the licensing that it's the killer?

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Ruth Otto:

It's an enterprise agreement so it covers all the Microsoft products. It's like an umbrella over everything so it doesn't break down by individual license type. But it includes Office, absolutely. But the most expensive things, just to compare notes, an Office Suite is about \$200. A server license is about \$1,500. So I'm really more concerned about the server licenses.

Jeff Lauer:

That's where Microsoft has everybody by the heart.

Mike Pollocoff:

With respect to the parks pickup and the DPW pickup, we saw pictures of those. We can not buy those and defer those, but I'm going to recommend that we put dump trucks on the road in their place because we can't, for employee safety and the people around there, we can't be driving around vehicles that have no floors in where the driver is. It just doesn't make sense. So if you guys want to take \$42,000 off and say we're going to take those pickup trucks out of service, we still need to do something and we can't be driving a vehicle that's not safe. 1977 I think we've gotten our money's worth out of that and it was used when we got it. But we can put a snowplow in service and use that and drive that round. The County does that. They use up their fleet for plows to pick up the roadsides and do stuff that we typically do with a pickup truck, and it limits the kind of people we can have on there. Pickup trucks I can use college kids or I can use someone who doesn't have a CDL license to drive a pickup truck. The minute I start moving the dump trucks from the fleet out I have to put in somebody who has got a CDL who is a more experienced driver.

To keep a squad three years, we're probably at 90,000 at two years, and if we want to roll that out those things are tired and I think the maintenance cost we're going to be paying on a car that's run the way a police car is it's going to outstrip the savings on it. Plus, you have four cars right behind it the next year that are going to have 90,000 on it. All you're doing is getting a longer shovel to make the hole deeper. That's why in my capital request squad cars for existing fleet is funded in the existing capital. That's the first \$100,000 we've got to spend. If you guys want to get rid of my vehicle, that's your decision. The Board salary, again, that would be yours.

With respect to Trustee Tiahnybok's comment on the debt, the debt is going to take a drop and a significant drop in 2011. If the levy limits as they're structured are in place still we're going to have to lower our levy that half million dollars. We don't get that money for free. As our debt comes down our levy limits come down. The only thing that will prevent that is if the Board incurs more debt so that the amount of debt that the Village residents are paying stays constant, then you're going to be able to take and use that money.

But if you look at that chart again you don't have anything for roads there. My hunch is when it comes to rebuilding roads from scratch, especially if they're arterials, we're going to be looking to bonding to do that. My recommendation would be rather than hit the taxpayers with a big

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chunk of that now is tie that debt so that we can basically do the same thing the school district did is issue more bonds in such a way that the taxpayers aren't paying any more and you're accomplishing some of that work. But if we just want to hang onto that and say we've got free money, the State is going to take that in your cap. So you'll have made your hole again even deeper because your new level cap is going to be lower than it was before.

So I think there's some things to be done with that that are manageable in this coming next two years. If we think back to the chart that Kathy showed you last week, we have not issued any debt for general fund purposes in four years with that in mind. That was the guidance I received from the Board back in 2003 when we decided not to do it is if we're really going to sign onto the fact that we're going to keep the property taxes as low as possible for Village residents, then you've got to quit issuing debt because you're issuing debt and that shows up on the levy.

You ask what if the referendum doesn't pass what do we do? You have a couple options. One is you can decide to issue debt to buy the ambulance, buy the other equipment, and that increase in debt service will show up on the levy as a tax without a referendum. I mean the State did give municipalities that freedom to do that and say we're not going to let you tax anymore, but we'll let you borrow all that you can borrow, and then whatever that levy increase is needed to pay that debt that's not covered under referendum and you can go ahead and do that. So that's one option. You could do that. The other option is to take some things that are in that capital list. If we decide not to get the pickup trucks, that would be my first recommendation, get rid of the pickup trucks and that would get you the jaws of life. Then find some other cuts we want to make if we wanted to do the other things or just wait. Or, go to bond.

I think the other thing if the Village residents are not willing to replace the ambulance or the heart monitors, we need to look at cutting back paramedic service to one squad. I don't think that's good policy, but on the other hand if we can't be sure that we're going to be able to maintain two squads on the road then we need to deliver medical service according to that and that's not the direction I want to be going, but that's really what we're saying is that we're not willing to spend the money to have two fully staffed rescue squads on the road.

We can't look at this as a one year thing. If you look at that chart up there we're going to be going to the public every year for four years for this five year plan, or we're going to go to the public next year and say craft out the five year plan how we want to do it and say do you want us to come every year when we have to buy a truck, a pickup truck, a piece of equipment, or are the taxpayers willing to say the Village needs a half million or \$600,000, whatever that number is, in capital and that ends up being a fixed part of the base and then we go to referendum once and then we're over. You have the ability to do that just like we were looking at doing that with the roads.

But just to look at carving the budget up here and then saying, okay, we've saved some money, and I've made some recommendations and I'm assuming you're willing to take all those cuts I've recommended, and you have some more if you want to make those, and we have some here from Alex if he wants to pick up some of the things here that we did that's fine. I came up with \$93,000. If there's some of these you want to take that's fine, but that is not going to take care of next year. Next year you have another dump truck that's ready to be replaced. And whatever

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doesn't get replaced this year and whatever doesn't pass referendum is going to be there next year.

When you talk about freezing things and cutting things that's one thing you can do, but different than business we have no—a business can say we're not going to accept any more orders. We can't do that. We have people making requests for service every day, more of them every day. And we looked at those numbers last week. We can't stop providing service. This Board is required statutorily to delivery police service, fire and rescue, you have to clear the streets, you have to pick up the garbage, you have to do all these things and you can't stop doing that. You can't say we're not going to do it. People will still keep calling. People will still keep calling up here to find out how much is my zoning permit, what's the burning permit and I want to do this and I want to do that, we can't stop the request for service. We have no control over the inputs coming into the Village. So that keeps going. And if we limit our tools to do that what ends up happening is we end up doing a bad job of delivering the service. So we have to be willing to say we're going to not deliver a high level of service, we'll deliver as competent a level of service as we want to do.

As I indicated last week, like it or not we have the lowest tax rate of any incorporated municipality that's in our class. How much lower do you want it to be? We've been the lowest the last couple of years and we're not being fiscally irresponsible. We're implementing the policy that this Board and previous Boards have adopted, and that's not to go to the taxpayers and get the money until you need it. We're there. We're funding operations, we've protected operations under this freeze. We're going to be able to do what we have to do but we need equipment and then we're at the point where we do what the State law says and that says ask the people if they say yes. It's not anything evil. It's just that's what it is. That's the law. And they'll make their decision and their recommendations.

Steve Kumorkiewicz:

I have three comments. Cell phones in today's world are a necessity, not a luxury. I used to have a beeper when I traveled . . . from the shop. I had to get off the road and look for a phone . . . look for the place. A cell phone I can answer right there. If anyone is in an emergency and need to get a hold of the person that is on the road the cell phone is a necessity and not a luxury.

Pickup trucks . . . not to buy, you say yourself the Board didn't look at the future. Okay, we're looking at the future right now. That's why we're doing this. But Mike is right - I live on 39th Avenue and see the big trucks from the County picking up garbage and two guys. When a pickup truck does the same job for less cost. So, are we saving any money? No, we don't. . . . we have to consider. . . . I can do it but you don't do it. We understand that. We're responsible . . . meeting last year you didn't even know where the Village Hall was. So there is a lot of future we have to take into consideration here. So it's easy to say cut this, cut that, cut that, but no, you have to look beyond that. I better shut up.

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John Steinbrink:

Other comments or questions? I think it's no surprise we've been saying the Village budget has been bare bones for, as you said, Mike, since 2003. I think if we look at some of these cuts that have been proposed here beyond yours they become foolish, dangerous and costly when you really look at what they are and what they affect and how they affect the operations of the Village. They affect the level of service that would probably be more costly than having them in there. To go beyond what we have and what the Administrator has proposed would be basically bare bones, basically sucking the marrow out and we know that ain't good.

I think one thing we need to clarify, and there's this image out there that Pleasant Prairie is a tax hell. Mike has stated it and I've stated it and we've all stated it, our mill rate is \$3.54, lowest in the State. Compare it. \$6.49 Silver Lake. Over \$9 for the City of Kenosha. We're providing the same if not more service for the taxpayer dollar at a far reduced cost. If we take the cost of the referendum items, add them onto the \$3.54 or the new one which will be \$3.11, compare them. What is the cost of doing business in Pleasant prairie? What is the cost to the taxpayer? We seem to lose sight of that. We're probably still the lowest. I know we are in the area here.

You look at our service, look at what we provide, our clearance rates, our fire, our rescue, our roads, leaf pickup, we do more than other communities do. A lot of these other communities with higher rates don't even do half of what we do here. But yet we seem to hear from people that say Pleasant Prairie is a tax hell. This is the biggest bargain there is living in this Village and we've got to get beyond that and get that message out because unfortunately people think there's something else going on here. In reality, it's good government, cost effective government, and there is a cost to everything you do and you provide.

I'm not sure where we can cut because there's nothing left to cut. I think it's time we took a realistic look at the budget and what the cost of living in Pleasant Prairie is, and if you're concerned about that compare it to where else you're going to live and what you're going to get for service. It's clear. It's black and white. I mean Rocco can attest to the costs around the countryside here and the State. I'm just dumfounded sometimes by listening to folks that can't do the math. So I'm not sure where the Board wants to go with further cuts. I don't know how there can be further cuts and be responsible. One minute they're saying we didn't cut enough, the next minute they're offering to cut more. I think those that want to cut more need to be in the offices here and answer the phone and provide the answers to the citizens that say, wait a minute, what happened to my service? Why is that squad car in the shop? Why are you jeopardizing my safety?

As Mike said, the tax freeze is not our choice. We go to the citizens. That's what tax freeze is. You go to the citizens for increase. I can remember back when we talk about the hard choices, Mike, Steve, Tom, a lot of Trustees, a lot of Board members I worked with, when we needed these big ticket items we raised the levy. And we explained it to the taxpayers why the levy was increasing. But we held the line on public safety. We made sure there wasn't a diminishment. But that choice is gone for us. It is now in the hands of the voters, the citizens. They have to choose what level of service they want.

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Sometimes it was a hard choice to raise the levy. Generally when you looked at the numbers and what was at stake, what was being provided, what would be lost, the choice was clear and the voters understood. And the taxes have always been low in the Village. They're still low in the Village and hopefully they'll continue to remain low in the Village. But I do not want to jeopardize the safety and service of the citizens because some people can't do the math and can't see what reality is as to what you're really paying in the Village of Pleasant Prairie. There's nothing irresponsible going on here. There's no big spenders.

I for one am proud of what we've done in this Village and what we've provided and the cost of the service. And I'm especially proud of the people that work for the Village. I don't know. It's easy to nick them on their pay I guess, but these are professionals. These are hard working people and they're at your disposal 24/7 when you need them. And if you think private business is going to do it for less start doing the math, folks, because it ain't going to add up. I'll put our people up against anybody. Mike?

Mike Serpe:

You know, our leadership in this Village is second to none and that goes for the department heads as well. If you look at all the department heads including Mike that have been here and total up the years it adds up to a long, long leadership, a lot of years. I think sometimes we get caught up in listening to a real small percentage of the people complain about everything there is about everything that we do. If we were doing that bad, this leadership team would not be here today. It would have been disbanded a long time ago because the Village Board would have been disbanded a long time ago in favor of new Board members. Apparently the majority likes the direction the Village is going. I certainly do

I see the budgets that Mike turns in every year and the budgets that the Board approves every year. John you hit it right on the head, there's just nowhere else to cut. Alex, I give you all the credit in the world for taking the time to go through that book and to look. But, like I said, I think what you're going to do if we even accepted some of those is just put us in the same position you're criticizing us doing now by not planning for the future. Because eventually those things are going to be coming due and they have to be paid for. I have to ask you, did any explanation tonight change your mind or sway you or make you think different?

Alex Tiahnybok:

Naturally, if there are certain items are explained as being mission critical and making any changes would be detrimental to the operations of the Village, I'm willing to be reasonable. And I ask everyone if you paid attention to what I was talking about I wasn't saying let's gut \$190,000 out of the budget and reduce the mill rate. What I've been driving at all along is we have four very critical public safety items on the referendum, and if we don't have a game plan then we're going to have four very important public safety items that we're not going to have funds for besides borrowing money.

I think the responsible thing is to make sure that what you're doing already--all my suggestions were offers. I never said that every one of these items has to be taken up otherwise we're toast. I

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never said that. All I said is these are items that I identified as things that are worthy of conversation. I'm in the second half of my second year and I'm not claiming to know everything. I'm relying a lot on veterans to tell me where I'm wrong and I'm willing to be wrong. I think if somebody is not willing to be challenged on their opinions that says a lot about you.

But, again, we have this loader thing and we don't have funds for that. If the current piece of equipment breaks down, it sounded pretty dismal in terms of how we're going to load those snowplows, including the new one, and get the job done. It just seems like there's bits and pieces that are just not connected. Again, I'm willing to listen to other peoples' opinions. You can count on that.

Mike Pollocoff:

I just want to make sure everybody doesn't lose focus on the fact that we have capital needs that we're going to have next year to address on top of it. This isn't a one year shot at it. Assuming that there's some level of success in the referendum for items and not on other items really kind of dictates how we're going to be able to respond to that. But I think everybody needs to understand going away from this is that the Village has somewhere in the neighborhood of \$800,00 of mission critical capital that we need each year because we're a community of 120 miles, 8,000 homes, 20,000 residents, 8,000 residents that come here during the day from someplace else that we have to take care of. That requires a lot of capital and we can't pretend that that stuff doesn't get old and retired. We're going to need to deal with that on an ongoing basis.

I really think that going forward we're either going to have to convince the residents that we need that or there's going to have to be some kind of change in State funding laws in how you do it or we keep going to the bank every year to borrow for it. In my recommendation the front end loader was the next item. I'm not saying it's not important, but of the ones we had on there those are the most important items. That was one of the questions we went through when we set the referendum issue up, which are the most critical.

The other thing I guess I'd like some comment from the Board is I recommended nine other items that could be reduced, if there's any of those that the Board would want to reduce. That's another—one of them is a fee, increasing a fee and having that go to broadcast meetings, but the other things were cuts that were offered up by departments that could be made. I prioritized them as to what they were. So if you wanted to take any of those.

What Alex proposed, and I appreciate his effort, is going through and doing a line item approach, but as we prepare our budget we identify things in programs because sometimes you can take a very good program, say paid-on-call firefighters, and if you take out one component of it like the training, then the whole program goes under. That part of it is critical. That's why when we take a look when we say we're not going to do something, we pick up something that we're not going to do and take that out of there and say we're not going to provide that service. The first one would be where you actually take an expenditure out would be elimination of the verbatim minutes. We won't provide a verbatim recorded transcript of all our minutes. It will be a

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summary. We have to provide minutes. We provide minutes that are more comprehensive than most places. It's been useful, but if you don't want to do it anymore you can save \$4,000.

If you want to slow down processing at the finance department and have our CPAs doing some clerical work we can get rid of a part-time finance clerk. If you want to reduce the time that it takes to process court paperwork you can get rid of a part-time court clerk. You don't want to make too many cuts in courts because that's a revenue area, plus if there's somebody that needs to be off the streets we need to have our clerical staff process the information getting it on the police system so we know there's somebody we have to arrest.

We can eliminate landscaping. We have probably the most bare bones landscaping. We don't have a lot of landscaping if you notice. We can say we're not going to do that anymore and just let it go. Those are some choices that I haven't recommended but that are there to make. I don't recommend getting rid of a police officer. If anything, I'd recommend getting another police officer. If you eliminate one dispatcher that means we're working overtime because we're relying on six part-time dispatchers to work 24/7 and cycle through. Seven means that somebody needs to take off without having overtime.

If you want to have our streets plowed like the City streets you can reduce the snowplow times. That's a reduction in service. We have to plow snow. We don't have to do a good job at it. We have to make an effort at it. We can do what the City does. I'm not taking shots at them, but they plow at a different level than we do. That's a program cut you can make.

Mike Serpe:

I think we can be here all night just taking shots at every item in this budget one way or the other. I for one am satisfied that this budget is responsible. I think it satisfies the needs of the people. I'm not satisfied with what the State of Wisconsin has done to us. I don't think anybody else is either. With that I'd move that we send this onto the next step.

Steve Kumorkiewicz:

I second that.

John Steinbrink:

Motion and a second. Further discussion?

Alex Tiahnybok:

Regarding the not recommended recommendations, as you see none of them popped up on my list either. I agree there's nothing here that—the verbatim minutes, you know my feelings about broadcasting the Village meetings. And if we're going to the voters for the referendum items spending the \$143,000 if that's the accurate figure for broadcasting meetings seems a little irresponsible and I'm willing to accept that. I still think that there's a way to finance this that wouldn't have to be levy based. We do sell rights for all sorts of things around the Village, and I

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really don't agree with the idea of brought to you by Pepsi suggesting a bias or something like that. You can extend that argument to everything we do, cooperative work with if you want. So the verbatim minutes naturally I'd be very opposed to have neither broadcast minutes or broadcasted meetings or verbatim minutes so I agree with that.

Again, getting back to my previous comment, the conferences and seminars for fire and rescue it's going up \$19,000 and it's been explained in a very clear way that this is the training that the paid-on-call people need to get and I think that definitely is a recommendation I would remove at this point because they need to be trained. If it was a trip to Las Vegas to attend a trade show I'd probably feel otherwise but now we know. I'm willing to be flexible.

As I said initially, I'm still frustrated that—I've watched budget proceedings for other governmental bodies, and when at the federal level when a budget is presented everyone in a Legislative role has all sorts of things to say. I'm just kind of frustrated that the Village Administrator makes his recommendations and there's so little activity in regards to saying can we do better. But if the three of you are convinced that we can't do better then I guess we're there.

John Steinbrink:

I don't think we ever want to compare our budget to the federal budget.

Steve Kumorkiewicz:

I was going to say that.

Alex Tiahnybok:

It's a process.

John Steinbrink:

It's what you'd call apples and oranges.

Alex Tiahnybok:

I'm talking about the process.

Jeff Lauer:

As I've said in the past I think three budget meetings we've had it all comes down to capital for big ticket items. What we have to do is have a plan, be it through the tax levy where you take a certain percentage and put it in a special account to take care of these big ticket items. Do we have that now, or is there a way in the future we can do that so if we need a snowplow, a pickup, whatever we can say, alright, there's money in this account and there we go and use it? Rather than wait until we need it and put it on a referendum type deal? That's the first question I have.

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That's something I'm throwing out there because if I'm going on vacation I'm not going to wait three days beforehand and say where am I going to get the money. I'm going to have to plan for it. Is there a way we can do that in the future?

Mike Pollocoff:

There's the budget philosophy, and there's different budget philosophies, and the one that the Board has adopted since 2003 is we're not going to tax for anything other than what we need that year. We're not taking taxpayers' money and banking it. When we need it we'll raise the levy then. And really the Village has done that, as John indicated, all along. Every now and then we'd have to get a new excavator. That year we bought an excavator. If you look at a graph of our levies they've kind of gone up and down. Sometimes we've borrowed for something. Sometimes we've saved for it. This community bought almost a half million dollar fire engine last year that we had built money up for. If we want to say take a look at this list and say we need to save money to get something, the fact of the matter is you need about \$800,000 a year for just replacing existing things that you have. So if you're going to save it as we're going on and we're a bigger community we have more things to replace as time goes on.

The truth of the matter is that's the additional that we need if we really believe that we're going to keep our three essential services, police, fire and rescue and public works operating in good condition and be able to deliver service. We need to be able to take that heavy equipment or those uses and fund those. This isn't a town government where we're talking about \$200,000 a year to get a road mower. We have a lot of things to take care of. I think that really that's the referendum for next year and I think the sooner we decide that and talk to the public about it and get them educated about it that's the real issue to be able to articulate to the fact that, as President Steinbrink indicated, really for \$3.11 none of us can move our homes into any incorporated community and not even some of the towns and enjoy the same services that we have right now and we're going to pay more. Everybody would pay more for their homes if they were in the City, if they were in Silver Lake, if they were in Bristol, if they were in Paddock Lake, if they're in Twin Lakes. It's just going to cost more and you don't have that level of service and to keep that.

The other component of that is we have to fund a certain level of capital. Are the taxpayers willing to say we recognize that dump trucks wear out, front end loaders wear out, excavators wear out, pumpers wear out, aerial ladder trucks wear out and we need to allocate out \$800,000 or whatever that number is so we can do it plus address the roads. I think that the Village is a lot farther ahead doing it that way rather than borrowing the money, rather than incurring debt. I'd recommend incurring debt to reconstructing an arterial road that's going to have a life of 30 years on it. That's worth issuing a bond for ten years but not for something that's going to depreciate and have less value.

John Steinbrink:

Other discussion?

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Alex Tiahnybok:

Mike, you made a comment about what we do if the referendum fails. If I heard things correctly to me it sounds like either the people are going to vote for it and pay the bill next year or we're going to have to borrow and people are going to pay for it over X number of years. Is that correct?

Mike Pollocoff:

That's such a nasty little law. Say the voters turn it down and we say really we have to have it, we could issue a bond and pay it back the next year and that would be a one year note and you'd pay for it then. It really depends on how you want to pay for it, how much interest expense do you want to incur for that expense. I think it's one of the little nuances in the tax freeze law that the public gets hosed on if they say they vote something down and you go ahead and buy it and then you're going to raise your taxes again because you have to raise it, not only raise it for the principal but you'll raise it for the interest on top of it. So I would think if you're going to hold true to keeping costs down you would issue as short a term note as possible and pass that principal charge on.

Mike Serpe:

The only thing I'd recommend next year if we're going to have to go to referendum and it appears that we may have to, is that we try to identify the items that we're going to need on a referendum and try to get that information to the public sooner for a longer education process. I'm a little concerned about this referendum. I am. I'm hoping it will pass. I'm hoping the people see it as a safety matter. It's a life and death matter. It's going to benefit them if they ever need it and I hope they never do. But if they do it's there. But if we can identify those items that we think are going to end up on the referendum in some way, shape or form, use our resources, our channel 25 or whatever and get that message out sooner than in the last couple weeks because that's running it kind of tight trying to educate the people in such a short period of time.

John Steinbrink:

Other comments or questions?

Alex Tiahnybok:

Again, getting back to what are our options, the taxpayers need to know that if we're going to be buying these items anyway and borrowing for them, then it may be in their best interest to vote for the referendum, right? Because otherwise they're going to not only pay for it all and pay for interest, too. That's an interesting perspective that people need to be aware of. But then I question why are we doing—it almost seems irrelevant why we're doing a referendum if we're going to do it anyway. It's complicated.

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John Steinbrink:

You've got to realize that the people that came up with this law don't have to abide by it. It's not the State operates unfortunately. They took more of your money to fund the tax breaks they gave to certain people but that's a different group of budgets.

Steve Kumorkiewicz:

Do what I tell you and not what I do.

John Steinbrink:

Other comments or questions?

Alex Tiahnybok:

Since we're on the topic of giving it to other people, getting back to the inequity of taxes flying out of Pleasant Prairie and through revenue sharing and not getting much back, where does that money go? We're saying somebody is getting a break and it's going somewhere else and we're sending \$20 million out of Pleasant Prairie and getting less than \$1 million back or something of that magnitude, who is getting that money? What is it paying for?

Mike Pollocoff:

It goes to a number of places but it goes to poorer communities. In the shared revenue formula if you're a community that's a little poorer they get more money. The other one is that communities that have high tax rates the more you tax the more aid you get. Kenosha gets an aid called a disparity aid because their tax rate is almost twice what the disparity level is which is 5 so they get more aid from the State for having a high tax rate. The threshold is 5 mills. We made 5 mills one year out of the last—we've only gotten to 5 mills once. It goes for programs like that.

Mike Serpe:

Alex, you brought up a good point. One thing, the power plant at one time how much money—when it was originally put up, how much money was Pleasant Prairie supposed to get out of that, Mike?

Mike Pollocoff:

About \$4 million.

Mike Serpe:

\$4 million a year, and all of a sudden somebody said here's a cash cow that we can spread out through the whole State. I don't see the rest of the State inhaling mercury vapors and coal dust all over their house but Pleasant Prairie does and we get \$700,000 and some a year for it.

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Steve Kumorkiewicz:

It went to Milwaukee.

Mike Serpe:

This whole equation on how the State does things makes no sense. How you reward somebody for spending more and then punish somebody for being frugal.

John Steinbrink:

Other questions on the budget?

Alex Tiahnybok:

So we have a low mill rate and as a result we get less back from the State which seems kind of illogical. And then Kenosha, since we're picking on it as an example, has a 9 mill rate so they've already punished their citizens and then they get more money because they're punishing their citizens from the State. That's nice. It sounds like something that needs to be fixed. I've already given you my plan.

Mike Serpe:

Call the question.

SERPE MOVED TO APPROVE THE FINAL PRE-REFERENDUM 2007 GENERAL FUND BUDGET; SECONDED BY KUMORKIEWICZ; ROLL CALL VOTE – STEINBRINK – YES; TIAHNYBOK – NO; KUMORKIEWICZ – YES; LAUER – NO; SERPE – YES; MOTION CARRIED 3-2 WITH TIANYBOK AND LAUER VOTING AGAINST THE PRE-REFERENDUM 2007 GENERAL FUND BUDGET.

4. ADJOURNMENT

TIAHNYBOK MOVED TO ADJOURN THE MEETING; SECONDED BY LAUER; MOTION CARRIED 5-0 AND MEETING ADJOURNED AT 7:50 P.M.