

**VILLAGE OF PLEASANT PRAIRIE  
PLEASANT PRAIRIE VILLAGE BOARD  
PLEASANT PRAIRIE WATER UTILITY  
PLEASANT PRAIRIE SEWER UTILITY  
9915 - 39th Avenue  
Pleasant Prairie, WI  
November 18, 2013  
6:00 p.m.**

A regular meeting of the Pleasant Prairie Village Board was held on Monday, November 18, 2013. Meeting called to order at 6:00 p.m. Present were Village Board members John Steinbrink, Monica Yuhas, Steve Kumorkiewicz and Mike Serpe. Clyde Allen was excused. Also present were Michael Pollocoff, Village Administrator; Tom Shircel, Assistant Administrator; Jean Werbie-Harris, Community Development Director; Kathy Goessl, Finance Director; Dave Smetana, Police Chief; Doug McElmury, Fire & Rescue Chief; Rocco Vita, Village Assessor; Mike Spence, Village Engineer; John Steinbrink Jr., Public Works Director; Carol Willke, HR and Recreation Director; Dan Honore, IT Director; Sandro Perez, Inspection Superintendent and Jane M. Romanowski, Village Clerk. Two citizens attended the meeting.

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL**
- 4. MINUTES OF MEETINGS - NOVEMBER 4, 2013**

Monica Yuhas:

Motion to approve.

Steve Kumorkiewicz:

Second.

John Steinbrink:

Motion by Monica, second by Steve. Any corrections, additions, changes, disagreements?

**YUHAS MOVED TO APPROVE THE MINUTES OF THE NOVEMBER 18, 2013 VILLAGE BOARD MEETING AS PRESENTED IN THEIR WRITTEN FORM; SECONDED BY KUMORKIEWICZ; MOTION CARRIED 4-0.**

- 5. PROPOSED 2014 GENERAL FUND, CLEAN WATER UTILITY, FLEET INTERNAL SERVICE FUND AND SOLID WASTE UTILITY BUDGETS.**
  - 1) Citizen Comments.**
  - 2) Closing of Budget Hearing.**
  - 3) Board of Trustee Comments.**

Village Board Meeting  
November 18, 2013

- 4) **Resolution #13-22 relating to Adoption of 2014 Budget and Property Tax Levy including Capital, Debt Service and other funds of the Village budget.**
- 5) **Resolution #13-23 relating to the adoption of the 2014 Clean Water Utility Budget.**
- 6) **Resolution #13-24 relating to the adoption of the 2014 Fleet Internal Service Fund Budget.**
- 7) **Resolution #13-25 relating to the adoption of the 2014 Solid Waste Utility Budget.**

Mike Pollocoff:

Mr. President, tonight is our hearing on the formal budget process. So I'd ask that Kathy begin the process of presenting the budget for the hearing.

Kathy Goessl:

Okay, I'm starting out here with an organization chart on the different budgets that the Village does have. And the ones highlighted or in blue are the ones that we're going to go over tonight. The first one I'll start with is general government which includes operating capital and debt service. We'll also touch on the tax incremental districts which have debt service and capital improvements, and also our special revenue funds, two police special revenues and one fire.

Also up there the grayish-blue we will also be going over is Clean Water Utility, solid waste and fleet internal service fund. The water utility and sewer utility we're hoping to bring to you at our next meeting, and we're still working on the rec center.

So general government is broken into three parts. It's broken into operating which is our day-to-day operations, capital which is items purchased over 5,000 that will last longer than a year, and then also our debt, paying down the debt that we have borrowed in the past.

I'll start with the operating part of the budget. And this is a summary of our operating section of the budget. On this chart there is the 2013 budget, and also the 2014 budget is highlighted in blue, and then the change between the two budgets and the proposed. Overall we're presenting a balanced budget again this year with a two percent overall increase in property tax for the operating portion of the budget.

Revenues are up \$460,000 and some. Property tax, as I said, is up two percent or \$151,000. Other revenues the majority of the categories are up except intergovernmental and other revenues. Major increases in revenues is due to building permits, increase of \$256,000; the utility tax paid by the water utility \$50,000; and engineering department services to external as well as internal projects of \$35,000. The revenue enhancer here the largest increase is ambulance base rate increase of \$66,000. And the rest is a minor increase in fire and rescue permit fees.

Expenses are also up \$462,000. The majority is new programs, as you can see down at the bottom \$275,000, contingency for \$100,000 and public safety for \$102,000. We went over our new programs at our October meeting, so we're recommending here a balanced budget with revenue and expenses equal.

Village Board Meeting  
November 18, 2013

I'll go over each of those areas in a little bit more detail for the revenues and expenses. Here's our major revenue categories. You can see this is where the \$462,000 total overall increase comes into play. And property tax, again, the property tax line is only up two percent. Intergovernmental revenue is down \$38,000, and that's mainly due to an increase or a decrease in law enforcement grants which accounted for \$45,000 decrease offset by some minor increases.

License and permits are up \$280,000 to \$1 million mainly due to building permits which is mainly the commercial area but also residential is up also. Other taxes is up almost \$50,000. Other taxes include mobile home taxes, the utility tax from the water utility. It also includes property tax penalty, hotel and motel taxes. This category is up \$49,000 mainly due to the increase in the utility tax paid by our water utility to our general government.

Public charges for services is up almost \$50,000 to \$1.1 million. Engineering and services account for the majority of that increase in that category. Other revenues are down \$100,000. In this category are municipal court which are actually up \$15,000, parking ticket revenue which stayed even, interest income which also stayed even, assessing contracts are down \$48,000 due to our loss of our assessing contract with Twin lakes. Also down in this area is the school liaison officer, a decrease of \$32,000. And that's mainly due to the Kenosha Unified School District only requesting an officer from us half time. In the past it's been a full-time position for one of our officers.

Tower leases are also in here and they have stayed even. And also media communication which is advertising in our calendar and newsletters has also stayed even. So the majority of the decrease here offset by some minor increases is due to the assessing contracts and the school liaison officer. And we have the revenue enhancers which I already talked about which is rescue fees and fire permits, rescue permits.

So here's a graphical representation of our sources of revenue. I've taken out property tax because that dwarfs the other revenues and doesn't let you see the actual changes in each of our other categories. Intergovernmental revenue and other revenues are down. And then the other three categories are up, license and permits, other taxes and public charges for services. The red is 2014 proposed, and the blue is 2013 budget.

Now I'll switch to the other side, the actual expense side of the operating. This is by category. In the base portion of the operating budget overall personnel costs are up \$114,000. Operating expenses are down \$26,000 for a total increase of \$88,000. Majority of the increase is in new programs, as I said before, and in our contingency. Public safety, the first line on here, is up \$100,000. This includes police, fire and rescue, public safety communications and inspection.

The majority is police and public safety attributed to the increase of \$100,000. The Village attorney, prosecuting attorney, was moved from the general government to the police, and that accounts for \$35,000 of it. Public works is up \$57,000. Included in this category are engineering, streets and street lighting. General government is down \$88,000. This includes our Village Board, Municipal Court, Administration, HR, IT, Finance, Assessing and Village Hall. It's down \$88,000 mainly because of a decrease in IT of \$73,000.

Village Board Meeting  
November 18, 2013

In 2013 we had a one time financial conversion, one time cost for financial conversion of our finance and HR software which in 2014 has been reduced quite significantly, because in 2014 we only have the last section of our conversion which is utility billing. And also there was an effort made to review software maintenance agreements and eliminate any ones that were not necessary for the future and weren't being used at this time. CD is up \$25,000. This is due to an increase in personnel cost of \$13,000 and an increase in attorney fees of \$10,000. Parks is down about \$10,000, and this is mainly due to personnel allocation in 2014 being less.

We didn't add or delete any personnel, but personnel can be moved around within the public works area. There are two groups of employees, public works employees and utility employees. And the public works people are allocated between public works which is streets and plowing. Some of them go in parks - they can help there in the fleet or in clean water. So depending on where the need is for the following year the dollars are shifted but no additional people have been added. The same for utilities. Utilities may shift around, too, between sewer, water, and so we're not adding any additional people, we're just shifting dollars around when personnel costs go down like that.

The new programs as I mentioned was detailed at the October 21st meeting. The ones that are over \$40,000 that account for the majority of the dollars are two new IT people, positions for \$136,184 total expense with \$87,000 being picked up for the general fund. And the rest, the other portion, will be picked up by our enterprise funds. Also there's a planning clerk for CD for \$50,000, and there's a sign reflectivity replacement program for \$44,000, and a one-time program to demolish the old Manutronics building for \$43,000. So that's the major programs, new programs, over \$40,000 that are in this budget. So that's the operating section of our budget.

Now I'm going to shift gears into our capital section. This is purchases over \$5,000 or projects over \$5,000 that last more than one year. Again, I'm showing 2013 budget, 2014 proposed, the change in both dollars and percent. We did go over the actual listing of the projects that were going to be included in this budget. This is just a summary of how these are reflected in here and the revenue sources to support these projects.

The tax levy will increase \$276,000 to cover the cost of the projects that we are proposing for 2014. Grants went up \$41,000, almost \$42,000. The majority of that increase is because of an increase in road grants from the State. Impact fees we have budgeted at the same level as we had budgeted for the previous year. Actually 2013 is coming in a lot higher than that. But to be conservative we just leave it at that \$100,000 mark.

Other includes interest income and the sale of police vehicles. In 2013 it also includes a transfer in from the enterprise fund for their share which is 36 percent of the HR and finance software conversion. This was reduced in 2014 to \$23,000 to cover the cost of utility billing software conversion. There is also new revenue at \$40,000 annual impact fee in the other number for the ATC electrical transmission lines that are currently being installed from our power plant to the Zion plant. So annually we'll receive \$40,000 from the State for those transmission lines. So total revenue increased almost \$300,000 from \$1.5 million budgeted in 2013 to \$1.8 million budgeted in 2014.

Village Board Meeting  
November 18, 2013

Capital outlay last year we had \$1.2 almost. This year it has jumped to \$9.3 million. The majority, the major projects over \$400,000 that are included in this \$9.3 million are the self-contained breathing apparatus which is \$416,000. This is a carryover from 2103. Road maintenance for \$650,000. Fire station number 1 relocation for \$5.4 million. And the ladder truck for \$1.5 million. Those are the major projects over \$400,000 included in that \$9.3.

We're recommending borrowing for the ladder truck and the fire station number 1 relocation. That is the net proceeds there. Plus also there's some impact fees in that number also that will cover our fire station and also some park improvements. So we're looking at actually a loss in our fund balance based on the proposed budget. But we're actually as I go further in the slides I'll show you what the actual fund balance is. This will not bring it down to a level that's unacceptable.

Debt service fund. This is us paying our debt back that we have borrowed in the past. And, again, the same type of slide presentation with the budget and the proposed and the change percent and dollar wise. Tax levy for this section of the general government is going down \$95,000. Basically this budget comes in balance, and whatever we need for debt is offset by the tax levy. And actually our debt was going down in terms of principle and interest payments by almost \$93,000. Therefore, that whole change also impacts the tax levy and brings that down in this category. Special assessments are pretty level, and interest income also is level. You can see our debt payments went from \$1.5 million down to \$1.4, almost a \$100,000 decrease.

This is our outstanding debt over the years from 2005 through projected 2014. We haven't borrowed for a while since before 2005 besides refinancing. So you can see the line go down or basically stay level in those couple years there, and went down to a low point in 2013 of \$5.2 million. It will jump up in 2014 if this budget is approved as we borrow for the fire station and the ladder truck. But it will bounce up to \$10.4 or 5 million.

This is total budget, the three categories on one slide showing you the summarized version of the operating debt and capital budgets altogether. The property tax that we're proposing is \$9,544,410. Other revenue sources are all other revenue sources which I have explained in the previous slides, and they total \$7.2 million. Expenses also explained in the previous slide total a little over \$24 million. We're proposing to borrow, as I said, for the fire station relocation and the ladder truck for almost \$7 million. So this is a net change of a decrease of a little over half a million dollars with operating debt with a break even in capital with that reduction.

You can see our fund balanced as of January 1st and how they would be affected by this current proposed budget. We're looking at overall a fund balance reserve across all funds of 26 percent. We're required by the bonding agencies for sure to be at 15 percent. But this cushion is very good in terms of our bond rating and also for financial security in the future.

How does this affect the property tax bill? First of all where does our property tax bills go? I have this graph that shows 2013 and 2014 in red. Kenosha Unified gets the majority of our tax collected here at the Village followed by Kenosha County, Pleasant Prairie comes in third at 19 percent of the total tax bill, then Gateway and the State of Wisconsin. Comparison of the 2013 to 2014 mill rates for all taxing bodies, and we just got the assessed value in today. It wasn't

Village Board Meeting  
November 18, 2013

finalized when I put these slides together. But Rocco did a very good job of estimating. He actually had it right on in terms of what the assessed value was. The only change that I had to make is that I was off in terms of the allocation between the Bristol School District and the Kenosha Unified School District. So the only change on this slide based on what I received today is that the Kenosha Unified levy will drop to 11.84 from 11.86. Other than that all the rest of the numbers will stay the same.

So overall for 2013 our mill rate was \$22.77, and this is before all school tax lottery credit and school tax credit. For 2013 we're looking at \$23.37 mill rate. That's an increase of 60 cents before a school tax credit. As I mentioned before the Village accounts for 19 percent of these taxes. A median residential household is \$188,000, and the Village increase on that household will be \$11. And the overall increase will be \$113.

And here's the numbers put together here with the median household assessed value and then how much it affects the Village portion and the total overall tax bill. The last line is actually those two numbers actually changed. The '13 I must have input it incorrectly in the first place. It actually is \$4,280, and then this year because of the change in my allocation between the Kenosha Unified School District and Bristol it's actually \$4,393 for an increase overall of \$113. So all we're waiting for is the lottery credit, first dollar credit and the school tax credit to finish up our tax bills for the year. So that was the general government, their operating, debt and capital.

Now I'm moving to the actual tax incremental districts. We actually have two districts. I'll start with District #2 which is our largest district. And on this one I actually have the 2013 estimate because the 2013 estimate actually varies greatly from we had actually budgeted for last year. And then I have the 2014 proposed. And the proposed is based on us amending the TID in 2014 to include some of the new areas and projects.

So in 2013 our property tax increment pretty much stayed the same of what we had budgeted and what we're estimating. We're actually going down in the actual tax increment for 2014 because the value in the TID had went down for 2014. So we're losing about \$340,000 in value in terms of increments. Other revenue includes interest income and special assessments. And we're looking at a slight increase compared to '13 budget and '13 estimate.

Capital improvements we had budgeted \$8 million to happen this year, but things were postponed, and we actually only spent \$1.3 million is what our estimate will be for this year. Next year we're looking at \$10.6 million, up from last year's budget of \$2.6 but up a lot more than that from what we actually spent this year. The types of projects we're looking at, and this all depends on our amended budget and if it gets approved, we're looking at changes to River View West and LakeView West, 113th Street improvements, the park and ride being started in 2014 and site improvements west of I-94 for \$2 million.

Debt activity shows debt payments and new proceeds. We were anticipating borrowing money to do that \$8 million. We didn't. We used the remaining money we had on -- or not all of it but most of the money we had from previous borrowings. To be able to do \$10.6 million in improvements we'll have to borrow something like \$10.8 million to do those improvements. The fund balance here is at a comfortable \$1.5 million ending 2013. With us borrowing the amount

Village Board Meeting  
November 18, 2013

we actually need to do the projects we'll end a little more than that or similar amount to that when we're done.

This is our smaller district, District #4. TID #4 is blight elimination for property located at 22nd Avenue and 91st Street. This has happened over five years ago that this blight was eliminated. The total project cost was \$715,000. It was financed by a developer. Once improvements are made to this property, right now nothing has been made to the property and it's pretty much been pretty stagnant in terms of the value and the increment that this property receives, but once improvements are made to this the tax increment will be generated, and these increments will be given back to the developer. And they are currently being given back to the developer, but he's looking at only about \$2,000 a year given back to him to reimburse them for the project cost plus interest. Which they probably won't get much interest back because we actually have a cap on this project of 20 years. And we're about five years or more out already. So as increments are being generated for the next 15 years or so that money will go back to the developer depending on what he does on the property.

So our special revenue funds are our next category. There's three special revenue funds that we have. We have the fire and rescue and we have police and we have federally forfeited which is also police special revenue fund. Revenue is mainly donations except for the federally forfeited which is equitable sharing of federal funds. Expenses include anything from minor equipment to our police fund actually supporting our police dog through the donations we have. We're looking at spending a little bit of money mainly out of the fire and rescue fund and dropping that balance from \$23,000 to a little over \$7,000. The other funds are staying pretty even. So this is a very small amount between these three funds that we have.

So this is the general government part with the TID and the special revenue funds. So I'll stop here if you have any questions or comments on this section of the budgets for tonight.

Michael Serpe:

There's speculation that after the first of the year the interest rates may rise. When can we borrow for the fire station and the ladder truck? At what point can we borrow for that? Do we have to wait until the first of the year? Can we borrow prior to that?

Mike Pollocoff:

After the budget has been adopted and posted I believe the Village could go out there. We've been watching this. And one of the reasons that -- we've needed the fire station for quite a while now. We're trying to make due. But the markets are as favorable as they can be, they have been right now. And that's one of the things we're going to watch for. We're actually looking at maybe two different methods of bonding from either station 1 for the equipment separation with a different type of issuance. My recommendation is that as soon as we have any inclination from Gene Schulz that the market is starting to change, and the bond market is kind of fickle. You could take and it could take some kind of hiccup and all of a sudden you're off to the races. So we know what the rates are now, and I think if they go any lower then there's something really wrong going on and maybe we'll think about that.

Village Board Meeting  
November 18, 2013

But in discussing with him and in talking with some other financial experts my recommendation is we probably go out sooner than later after the first of the year. It's really hard to sell bonds towards Christmas. The potential buyer dries up but after the first of the year we've tried that a couple times and we ended going back out again when there was more buyers out there. So probably after the first of the year is what I'd recommend and do that. We have money that we've borrowed as Kathy said on the TID, and rather than spend it just to get it spent we've hung on to it so we don't start that clock running on stuff. I think I'd do the same thing with the station. The anticipated time for the station to start would probably be April. As soon as this budget is adopted I'll bring forward a contract with an architect to start design, four months of design and start construction in April. And we'd probably let the ladder truck specs go right after the first of the year.

Michael Serpe:

We're only getting one truck for \$1 million, right, we're not getting two.

Mike Pollocoff:

And one thing I just want to comment on about the TID, as Kathy said our plan on TID all along has not to borrow any more than we have to, but the money we picked up was at a good rate. And we don't want to spend it until we're sure that the improvements that are going to be made are adequate and match up really well with supposed developments. As developments come in they need different things, [inaudible] might be different, water demand might be different, sewer. So rather than put that in the ground and have that be fixed and frozen we want some flexibility to be able to negotiate with a possible user of a property just to make sure we spent it wisely and accurately. We don't want to hang onto the money for the sake of hanging onto it, but I don't want to bury it in the ground and then have to either go back and fix it or live with a mistake that I wish we wouldn't have done. And that's worked well for us over the last 20 years of both TID 1 and TID 2.

Steve Kumorkiewicz:

Our rating is AA, right?

Mike Pollocoff:

I'm sorry?

Steve Kumorkiewicz:

Our rating.

Mike Pollocoff:

Our rating?



Village Board Meeting  
November 18, 2013

Steve Kumorkiewicz:

Yeah, AA, that's what we got right now.

Mike Pollocoff:

AA through S&P and then our Moody's AA also?

Kathy Goessl:

No, it's a little bit different, A2 or something like that.

Mike Pollocoff:

A2, yeah, I think it's A2.

Kathy Goessl:

It hasn't changed for the last -- it hasn't changed for a while. Last time it changed was when Moody's re-evaluated how they evaluated governments in the first place and they upped our rating. But other than that we've pretty much been staying the same with stable outlook.

Michael Serpe:

One other question if I could. Reserve accounts are at what percentage?

Kathy Goessl:

They were at 25 across the board.

Michael Serpe:

Good, good.

Steve Kumorkiewicz:

So what interest rate can we get?

Mike Pollocoff:

What interest rate?

Steve Kumorkiewicz:

Yes.

Village Board Meeting  
November 18, 2013

Mike Pollocoff:

Schulz gets paid a lot of money to figure that out for us.

Steve Kumorkiewicz:

What's the low side?

Mike Pollocoff:

It could be the high 2's to 3. That's kind of what it looks like today. That bounces around. But I haven't seen anything with somebody with our rating would be over 3.5. And 3.5 people say not at 3.5 but 3.5 is a really good rate. I mean it's nothing to sneeze at. I've seen -- we've had one of our treatment plants financed at 10.7.

Steve Kumorkiewicz:

Wow.

John Steinbrink:

No further questions?

Mike Pollocoff:

So we need to open up the hearing on the general fund budget before proceeding with the other budgets.

Jane Romanowski:

There were no signups tonight, Mr. President.

John Steinbrink:

Anybody wishing to speak under citizens' comments on the budget hearing? Hearing none, move onto item 2, closing of the budget hearing. We need a motion for that.

Michael Serpe:

So moved.

Steve Kumorkiewicz:

Second.

Village Board Meeting  
November 18, 2013

John Steinbrink:

Motion by Mike, second by Steve.

**SERPE MOVED TO CLOSE THE PUBLIC HEARING; SECONDED BY KUMORKIEWICZ; MOTION CARRIED 4-0.**

John Steinbrink:

And then we have Board of Trustee comments.

Michael Serpe:

Again, Kathy, Mike, department heads doing a great job. I say it every year. We look good, the whole Village looks good and it's because of your efforts. And I thank you for that. So keep up the good work. Thank you.

Steve Kumorkiewicz:

Pretty much in the line of Mike I think that everybody is doing an excellent job working on the job, Mike, Kathy, department heads, and it shows the level of cooperation and the level of mutual understanding with all the departments and the Board. We worked together on this, so we're proud of what we've got here. They're doing an excellent job. Thank you.

Monica Yuhas:

I also would like to reiterate that this is a very sound budget. It's very frugal. We are doing things. I did hear from a few residents in the Village and it was positive. They were excited about the new station. They just wanted to make sure that all of their services that they're getting now would be intact, and I ensured them that it would. And for less than \$10 a month --

Mike Pollocoff:

A year.

Monica Yuhas:

-- a year it's a good bargain for them. They're very happy. They're happy with the snow plowing, they're happy with the garbage being picked up. They're happy with police. They're happy with fire. And that's a direct impact from everyone in this room, every department head. And you make us look good. And it allows us to be able to engage with the residents because of all the time and energy that is put in. When it comes to the budgets if we have questions we can ask any one of you to sit down with us and break it down and you do, and I'm grateful for that. Also, with Mike your knowledge and your foresight into things and your creativity with the budget is outstanding. And, President Steinbrink, your leadership is leading. You give us direction and you provide a base for us to draw from.

Village Board Meeting  
November 18, 2013

John Steinbrink:

I've only told Steve where to go.

Monica Yuhas:

But being the newest one on the Board you come into this and sometimes it can be a little overwhelming. But it's nice to know with the support of staff and the Board you can come to a rational, reasonable decision that is in the best interest of the residents. And not everyone can say that in the State of Wisconsin. Communities are struggling. They don't have a sound budget. Some of them are going bankrupt and we're not, and it's because of everyone in this room so thank you.

John Steinbrink:

I think what's amazing is that every year it gets more challenging not because what we do, it's because of what's done to us by others. And in the infinite wisdom of those higher up they pretty much make Mike's job a living hell. And he seems to muddle through it pretty well and come out on top all the time it seems like. And it's for us as a Board it's easy to work with because of the staff and department heads and the job they do. As Monica said the citizens even with the challenges we face the citizens have a very positive outlook on what they're seeing in their Village, what they're receiving for services. And there's always something new and exciting every year for them that seems to really -- whether it's leaf collection or the new garbage collection, we seem to always shake things up a little bit, and everybody is always happy about it. It's always a positive change in the Village. So kudos to everybody on the job you do here.

Mike Pollocoff:

Thank you.

Michael Serpe:

We have fantastic leadership, and that starts with Mike Pollocoff. And just a comment and compliment to the Board. And I don't want to act like I'm beating my own drum here, but when Mike goes to battle in whatever he does and he has the Board behind him that makes a big difference. If you have a split Board and there are arguments and there are disagreements and there are different agendas his job becomes very, very difficult. So my compliments to Monica, Steve, Clyde and John for just supporting Mike and all the department heads and what they do. And I can tell you we got the best there is in the business with that man right there. Thanks, Mike.

Mike Pollocoff:

Thank you.

Village Board Meeting  
November 18, 2013

John Steinbrink:

No further Board comments we'll move onto Item 4.

Mike Pollocoff:

We can put all the resolutions altogether.

John Steinbrink:

At the end?

Mike Pollocoff:

Yeah.

John Steinbrink:

Okay.

Kathy Goessl:

Okay, we have three other utility type budgets that we're looking at. The first one I'll start with is solid waste. For the new programs there's only one that we have, and what it is is actually a carryover from the general government. It's an allocation of the support department's new programs. And the new programs that are being allocated -- the support departments are IT, HR, administration, finance and the Clerk's department. And the new programs that were approved in the general government budget that has rolled as a percentage to the solid waste fund is the two new IT positions and the one position part-time in HR, the open town hall online public forum from the administration department, and the backup ISP at Prange and RecPlex for the IT department. So this is the percentage that has been allocated of those new programs to our solid waste budget.

Again, I have a comparison of what the 2013 budget was and what we're proposing for 2014. You can see there's only a slight actually decrease in revenue. The major reason for that is that our recycling rebates are not coming in like they have in the past. Other than that we're maintaining, we're not recommending any rate increases for any of our budgets. For operating expenses we're leaving depreciation the same as the '13. Office expenses a slight decrease. Compost expenses which is salaries and benefits and some contracted services basically the same with a small increase of \$1,593.

Administration is the largest increase here. It's mainly wages and benefits in this category. A utility employee manager was promoted, and he initially was over the water and sewer utility, and now he oversees all utilities, not just the sewer and water. Therefore, part of his salary and benefits are now allocated to the solid waste fund which has increased part of this administrative cost. Also, allocation of the support departments is IT, HR, finance, administration and the Clerk

Village Board Meeting  
November 18, 2013

increased from two percent allocation to this fund to three percent which is a \$24,000 increase. These costs are being shifted out of water into the solid waste utility.

Garbage is another -- the other leaf collection and recycling is pretty much maintaining, going up slightly a little over one to two percent. Garbage expense is going up \$41,000. Basically the 2013 budget did not reflect historical wages and benefits for garbage collection. Therefore, the 2014 budget has been increased \$27,000. This actually truly reflects the historical wages and benefits that we have incurred for 2011 and 2012. So we're actually reflecting what actually has happened, so there's not really an increase in the number of hours or stuff that we're doing. It's just that we under budgeted our allocations in this area in the past budget. Also, tipping fees we have an increase of \$5,000 in the garbage area. New programs as I mentioned before is allocation of the support department's new programs. So we're looking at a budget with a decrease overall or a loss actually in the utility because of some of the increases in the administration and that kind of stuff.

Non-operating so we start out with an operating loss and then we move into some of our non-operating categories which includes a grant. The grant is our recycling grant, and in 2013 we will be receiving a \$10,000 hazardous waste grant. Unsure for 2014 if we'll receive that hazardous waste grant so we didn't budget that to be conservative. Interest income is down slightly. Premium amortization is going down. Actually also interest expense and amortization expense are also going down. This utility will make its final debt payment in 2014. This utility will be debt free in 2014. We initially borrowed to purchase our initial garbage and recycling trucks, garbage trucks and recycling truck. So that will be all paid off.

This is the cash of this utility. We're estimating the end of the year at a little over \$300,000 in cash for the utility. We're looking at a loss here bringing our cash down to \$129,000 which is kind of low for the utility. But as I said before 2014 will be our last debt payment, and our debt payment actually jumped from \$125,000 to \$170,000 and some for 2014 attributing to part of this larger activity, negative activity. But we won't have any debt payments next year which will help us be able to bring this utility back up and start accumulating some cash in here to make it a better cash balance at 2015.

Here's some capital projects that we're proposing. We're required to have fire protection in our sanitation garage. This project was actually approved in 2013, but has been carried over to 2014. The \$54,000 is for internal cost to extend water and sewer and electrical work to the garage. And then in 2015 we have phase 2 of this project which will be cost to install the system actually in the garage for \$44,000. There's a small amount here for the utility software allocation of a little over \$2,000 to the cost of the software for the utility billing upgrade that we're doing in 2014. So that's the solid waste budget.

Our next budget that's being presented is our Clean Water Utility budget. Here's a similar financial comparison for the Clean Water Utility as in previous presentations comparing the 2013 budget to the 2014 proposed and the change in dollars and percentages. The operating revenue is going up slightly. This is due to growth and some changes, but there's no rate increase being proposed for this budget. Operating expenses personnel is up 15 percent. This is because of an increase in the operational labor allocation to this utility. And along with that also comes our

Village Board Meeting  
November 18, 2013

clerical and administration allocation increase, too. So we have the operational employees that I mentioned earlier that we are not proposing an increase in numbers of them but they've been allocated differently. The clerical and administrative staff actually follows these employees. So if they work more in a certain utility the clerical and the administrative cost will also go up in that utility and down in the ones that they don't work as many hours in.

Contractual services is pretty much staying even. The biggest expense in this area is engineering fees, consultants and facility lease totaling \$62,000 or 84 percent of that category. Supplies and maintenance the biggest expense being the cost of gravel and crushed stone and the culvert installation for \$29,000. This budget section is increasing \$4,000. Depreciation is budgeted in 2014 similar to 2013 levels. Non personnel transfer is up. This department also is up due to transferring additional one percent of support departments to this utility. It's up from 1.5 percent to 2.5 percent of the total 100 percent. The general government picks up the majority of the support departments at 64 percent. And then we have the water utility, the sewer utility, clean water, solid waste and fleet internal service picking up -- not fleet doesn't pick it up, but those other four or five utilities do. They get the other 34 percent allocated between them. Oh, there's RecPlex in there also.

New programs allocation is sports department's new programs as I mentioned before. The two new IT employees and HR part time. So we're looking at an operating loss here of \$200,000, a little bit more than what we had operating loss last year.

Michael Serpe:

Can I ask a question? If we propose to have an increase in the Clean Water are we going to have to show a corresponding reduction in the tax rate with the new law?

Mike Pollocoff:

No, because we've operated this as an enterprise from the very beginning. So we've never used any property tax dollars in it. So we can adjust it as we need to. Now, until they decide to change the law that says something different that's where we're at. And that's true for sewer, water, RecPlex, garbage, all those things have happened off the tax roll. And Kathy has done a really good job of making sure we haven't had any intermingling of those funds. Clean water is one of the targets in the legislature or storm water.

Steve Kumorkiewicz:

They don't give us any money, though.

Kathy Goessl:

We rolled all that off the tax levy years ago so it doesn't affect us because we didn't do it this year. Okay, non-operating section of this budget we're looking at interest income similar. The grant last year was for south Kenosha, and we are not budgeting for any grants or expecting any grants in 2014. Cash flow wise this utility is a little less than \$2 million. We went up slightly or

Village Board Meeting  
November 18, 2013

we're looking at going up slightly from the 2013 to 2014 proposed. This utility is basically building cash reserves for future replacement of infrastructure currently valued at over \$22 million for this utility. So it's basically building reserves and doing whatever projects we need to do as we are building the reserves over the years to replace an aging infrastructure in the future. Right now this is standing pretty good. We need to continue to grow that to help us replace that \$22 million in the future. As for projects we're only looking at two things again here, the Chateau Eau Plaines storm which is reconstructing drainage swales between 115th and 112th Avenue to the wetlands for a little over half a million dollars. And, again, the utility software conversion allocation to this utility.

The final budget presentation tonight is the fleet internal service fund. There was one new program recommended to have the part-time mechanic promoted to full time. And we are recommending that this new program be approved. The fleet division consists of one full-time mechanic right now and one part-time mechanic. This new program will retain the trained part-time mechanic we currently have to help the Village maintain its large fleet and allow the actual utility and highway department staff to be working the field instead of helping the mechanic fix equipment and vehicles.

Here's the summary of our operating section of this budget. We're looking at -- actually we budgeted for a decrease in operating revenue. We looked at the trends over the last couple years and brought it down to be more conservative. We're hoping to be over that \$1.5 million, but if we're not we're still building a good fund balance to help replace equipment in the future.

Personnel we're looking at a reduction of allocation to this utility. Part of it is due to the proposed new part-time mechanic becoming full time. Contractual services we're maintaining that area. Supplies and maintenance we're going up \$26,000. The main reason for this increase in supplies and maintenance is due to fuel which is up \$18,000 and vehicle maintenance supplies which are up \$6,000.

Insurance went down some. Depreciation has gone up, and the reason for that is to reflect the depreciation on the vehicles that have been transferred from the general government which were IT, assessing, administration and inspection vehicles and the RecPlex vehicles that are transferred here. Fleet internal service is staying the same. This is used by the fleet actually to do fleet type work. And then our new programs which I mentioned before is the promotion of the part-time mechanic to full time.

This is the non-operating section of this budget. Interest income we're reflecting a decrease of \$1,000. Gain and loss on sale. This category all depends on what equipment and what vehicles we have to sell or trade each year. We're anticipating an actual increase in the sale of equipment that we have based on what we're going to be trading in for the coming year. Grant last year was for a TR bus which we didn't get. This year we're not expecting any grants.

Transfer in for 2013 is the RecPlex vehicles including vans and the TR bus coming into the fleet internal service fund and being maintained. And each month the actual RecPlex and general government gets charged based on the number of miles they actually drive the vehicles, and all the cost of maintaining and replacing these vehicles is in this fleet internal service fund. Capital



Village Board Meeting  
November 18, 2013

contributions in 2013 is the general government vehicles being transferred in and contributed to the fleet internal service fund.

Cash-wise this utility is maintaining around a million dollars. They're looking at estimating at the end at almost \$1.2 million this year and almost \$1.1 million for next year which is a good reserve. We usually spend around \$700,000 on new equipment each year and bring in a little over \$1 million, \$1.5 million to help with the operating of it and also the replacement of vehicles or buying new vehicles and equipment.

So I'm going to turn this over now to John to explain what he's proposing to be bought in the fleet internal service fund.

John Steinbrink, Jr.:

Mr. President and members of the Board I'm just going to be brief with this. We're not going to go through all the pictures. But I do guarantee you that these vehicles that we're getting rid of are at the end of their life cycle. The first thing that we're looking at is a single axle vehicle. We'd like to get something with a grapple [inaudible]. So this really isn't a plow truck, but it's going to be like a grapple truck, something we can use for picking up white goods, something we can use for picking up logs, brush, any sort of circumstance like that. We've been very successful purchasing used vehicles at various auctions around the U.S., and we plan on continuing doing that with this grapple vehicle.

We're looking at two pickup trucks purchasing through the State contractor or State of Wisconsin. We're probably saving about \$15,000 per vehicle as a new vehicle versus buying something used at an auction. We've been getting used pickup trucks like a three quarter ton pickup truck, four wheel drive, nothing really fancy, but about \$24,000 which is much cheaper than you can buy it off the lot from a dealer. And you're not getting that initial 20,000 miles like you would buying something used. So it's been a really good value.

Rocco's done a really good job with the appraisal fleet, so we are going to continue that replacement and replacing a vehicle for the assessor's for next year. The RecPlex van is going to be the same thing. We're actually going to take that RecPlex van coming from RecPlex and actually reincorporating that as a utility van, use it for reading meters, hydro flushing, just standard maintenance and then pick up a new, more reliable van for the RecPlex staff.

We're looking at a ball field finisher for \$25,000. The hard ball over at RecPlex has really increased over the last couple years. They're running almost six diamonds every day from end of March until early November. And so this will just be a piece of equipment that will make us more efficient prepping the ball diamonds for RecPlex and all their activities that they have.

A zero turn excavator is a mini excavator on rubber tracks, a little bit smaller than some of our larger ones. It's something you can haul behind like a F550 two ton truck. We'll be using it for water main breaks. It will take the place of our combination backhoe. And what's nice about it is that it spins 360 degrees. It's on rubber tracks so it doesn't scarf up the road at all. And it's going to be a much more efficient vehicle for us to use.

Village Board Meeting  
November 18, 2013

The replacement of our video camera, our video camera is ten years old. It's just exceeded its useful life. It's in harsh conditions in the sewer and the storm on a regular basis, and it's starting to nickel and dime us, so we're going to go ahead and replace that.

Compost turner for processing our compost at the compost site, and then replacing a front end loader that we've had in public works since 1994 with 13,000 hours which is a lot, a lot of hours. And it's just worn out. We've gone through and replaced everything that we can replace once, and it's really tired and worn out. And so that's a summary of our capital for the fleet internal service.

Okay, and also some attachments. With the addition of the new mechanic you're looking at an additional lift to have a portable lift that we're going to keep in the shop. And so we can have a garbage truck or a vehicle on one hoist and still do service and other pm maintenance on a different bay. A grapple bucket for the track excavator for cleaning out creeks, doing like this off road excavation, grapppling, moving brush, trees, cleaning out beaver dams, stuff like that. And so that's the attachments.

And then on the software end of it we're actually looking at a fleet maintenance software for \$25,000 that will better help us track the details, what kind of filter, how many quarts of oil that we do, it will track our inventory for us. And the updating our Gas Boy system which is original at the Prange since 1994. It uses a very old operating system, a very old database. We met with Dan the IT director and he supports us with this upgrade of the gas boy to kind of bring us into the new IT era. And so we'll be better able to run reports and query. And then it's going to work much nicer with some of our other software that we had because it will be in the same database. And so that completes everything for the fleet internal service.

Mike Pollocoff:

So with that I'd be recommending that we adopt the resolutions. Before we do that I'd like to thank the Board for their support. But what I'd really like to point out for the record is that it's really unlike some levels of government, many levels of government or a local government that the Village has allowed a professional staff to develop that manages and operates and guides this Village everyday. And many of the department head here serve as leaders of professional associations in their field. They're on committees that give guidance to the State.

I know one of the reasons we exceed is that the first thing is that everyone here is exceedingly competent. Sometimes that's called into question, people like to question that when they want to look at the dark side or create a dark side about local government. But this local government is exceedingly competent. And we've proved it time and time again, and we've been recognized by other entities for our competence. And with all these budget numbers we have even with some large funds that we're outlaying this next year for some capital improvements we're a people based organization. Our primary budget is the kind of people we hire, how much they accomplish, how well they accomplish it, and how well they listen to what the needs are of people and finding innovative ways to deliver service and get that done. The Village is truly blessed to have a competent staff and read by very competent department heads.

Village Board Meeting  
November 18, 2013

And I'd just like to follow up on what Trustee Serpe said is you don't have to think too far about or read the paper to find out that some boards have not tackled the responsibility of creating good public policy in a productive environment even when people disagree on things like they have in Pleasant Prairie. The community for years and years and years has had a history of responsible political discussion and management with few aberrations and it shows. I mean the games are really non-existent in our desire to get things solved and worked out is prevalent. So I just want to recognize that everybody does this.

And I think when you look at our reserves, our reserves are a product of our departments' success in managing their budgets and getting what they need to get, getting the things done and still having some money left to put back for the rainy day. And there was a number of years where the Pleasant Prairie reserve fund was greater than that of the State of Wisconsin. You have to be proud of a big number, but you need to know that we can address a lot of problems that occur and we're not fearful of dealing with an issue as it arises because we have the reserves and the resources to back that up. So with that I'd recommend that the Board adopt Resolution 13-22 for the adoption of the 2014 budget and property tax levy including capital, debt service and other funds of the Village budget.

Michael Serpe:

So moved.

Steve Kumorkiewicz:

Second.

John Steinbrink:

Motion by Mike, second by Steve. Any further discussion?

**SERPE MOVED TO ADOPT RESOLUTION #13-22 RELATING TO ADOPTION OF 2014 BUDGET AND PROPERTY TAX LEVY INCLUDING CAPITAL, DEBT SERVICE AND OTHER FUNDS OF THE VILLAGE BUDGET; SECONDED BY KUMORKIEWICZ; MOTION CARRIED 4-0.**

Monica Yuhas:

Motion to approve Resolution 13-23.

Steve Kumorkiewicz:

Second.

Village Board Meeting  
November 18, 2013

John Steinbrink:

Motion by Monica, second by Steve. Any discussion on this?

**YUHAS MOVED TO ADOPT RESOLUTION #13-23 RELATING TO THE ADOPTION OF THE 2014 CLEAN WATER UTILITY BUDGET; SECONDED BY KUMORKIEWICZ; MOTION CARRIED 4-0.**

Michael Serpe:

Move to approve 13-24.

Monica Yuhas:

Second.

John Steinbrink:

Motion by Mike, second by Monica in adoption of Resolution 13-24. Any further discussion on this item?

**SERPE MOVED TO ADOPT RESOLUTION #13-24 RELATING TO THE ADOPTION OF THE 2014 FLEET INTERNAL SERVICE FUND BUDGET; SECONDED BY YUHAS; MOTION CARRIED 4-0.**

Monica Yuhas:

Motion to approve Resolution 13-25.

Steve Kumorkiewicz:

Second.

John Steinbrink:

Motion by Monica, second by Steve for adoption of Resolution 13-25. Further discussion?

**YUHAS MOVED TO ADOPT RESOLUTION #13-25 RELATING TO THE ADOPTION OF THE 2014 SOLID WASTE UTILITY BUDGET; SECONDED BY KUMORKIEWICZ; MOTION CARRIED 4-0.**

John Steinbrink:

I don't think it's unusual that there's no discussion on these motions because of the thoroughness that everybody's gone through in discussing these and being kept up to speed on what's happened

Village Board Meeting  
November 18, 2013

as the process as moved along. So that again is something you don't see in other government around. And we thank you for that, too, for making our job in looking at this budget quite easy.

**6. CITIZEN COMMENTS**

Jane Romanowski:

No signups tonight, Mr. President.

John Steinbrink:

Anybody wishing to speak under citizens' comments?

**7. ADMINISTRATOR'S REPORT – None.**

**8. NEW BUSINESS**

**A. Consider an award of contract to purchase turnout gear racks and related storage equipment for the Fire Stations.**

Mike Pollocoff:

Mr. President, this is an item that we were able to get through this year before it rolls over to the next year. It provides a place to hang turnout gear so it's accessible as our personnel go to get on the truck and it hangs it up so it can dry. Two bids were selected. The low bid was submitted by Gear Grid at \$19,956. Ready Rack was the second bidder at \$20,607. And the Chief is recommending that a contract be awarded to Gear Grid.

John Steinbrink:

And this is part of [inaudible] movable to the new station then?

Mike Pollocoff:

Yes, it goes with us.

Steve Kumorkiewicz:

So moved.

Monica Yuhas:

Second.

Village Board Meeting  
November 18, 2013

John Steinbrink:

Motion by Steve, second by Monica. Any further discussion?

Michael Serpe:

I could have used this set cooking those steaks a couple weeks ago.

Monica Yuhas:

I just have one quick question for the chief. Chief, is this what it's going to look like?

Chief McElmury:

Yeah, that is the gear [inaudible].

Monica Yuhas:

Thank you.

Steve Kumorkiewicz:

What are you going to do with the \$44 you're going to save here? There's a \$44 savings here because it was budgeted for \$20,000, \$19,556, \$44 difference. Excellent.

John Steinbrink:

We concluded Item A, right?

Jane Romanowski:

We had a motion. We need a vote.

**KUMORKIEWICZ MOVED TO AWARD A CONTRACT TO GEAR GRID IN THE AMOUNT OF \$19,956 TO PURCHASE TURNOUT GEAR RACKS AND RELATED STORAGE EQUIPMENT FOR THE FIRE STATIONS; SECONDED BY YUHAS; MOTION CARRIED 4-0.**

**B. Consider Resolution #13-26 authorizing the placing of utilities and special charges on the tax roll.**

Kathy Goessl:

Mr. President, the majority of this \$465,000 is actually delinquent utility bills of \$350,000 and some, delinquent invoices for \$41,000, the majority of that being the horse farm invoice that we're placing on that property. The other chunk is special assessments being rolled onto the tax roll of a little less than \$55,000 for a total of \$465,085.

Village Board Meeting  
November 18, 2013

Steve Kumorkiewicz:

I make a motion to adopt Resolution 13-26.

Monica Yuhas:

Second.

John Steinbrink:

Motion by Steve, second by Monica for adoption of Resolution 13-26. Any further discussion on this item?

**KUMORKIEWICZ MOVED TO ADOPT RESOLUTION #13-26 AUTHORIZING THE PLACING OF UTILITIES AND SPECIAL CHARGES ON THE TAX ROLL; SECONDED BY YUHAS; MOTION CARRIED 4-0.**

**C. Consent**

- 1) **Approve Operator License Applications on file.**
- 2) **Approve a lot line adjustment for the property at 10368 Bain Station Road and the property to the north located at 8423 104th Avenue.**
- 3) **Approve a Certified Survey Map to dedicate road right-of-way and create two parcels within Ingram Park.**

Michael Serpe:

Move approval.

Steve Kumorkiewicz:

Second.

John Steinbrink:

Motion by Mike, second by Steve for adoption of the Consent Agenda. Any discussion on any of the items on the Consent Agenda?

**SERPE MOVED TO APPROVE CONSENT AGENDA ITEMS 1-3 AS PRESENTED; SECONDED BY KUMORKIEWICZ; MOTION CARRIED 4-0.**

**9. VILLAGE BOARD COMMENTS – None.**

Village Board Meeting  
November 18, 2013

**10. ADJOURNMENT**

**YUHAS MOVED TO ADJOURN THE MEETING; SECONDED BY SERPE; MOTION CARRIED 4-0 AND MEETING ADJOURNED AT 7:15 P.M.**