

**VILLAGE OF PLEASANT PRAIRIE
PLEASANT PRAIRIE VILLAGE BOARD
PLEASANT PRAIRIE WATER UTILITY
PLEASANT PRAIRIE SEWER UTILITY
9915 - 39th Avenue
Pleasant Prairie, WI
October 24, 2011
6:00 p.m.**

A Special Meeting of the Pleasant Prairie Village Board was held on Monday, October 24, 2011. Meeting called to order at 6:00 p.m. Present were Village Board members John Steinbrink (6:15 p.m.), Monica Yuhas, Steve Kumorkiewicz, Clyde Allen and Mike Serpe. Also present were Mike Pollocoff, Village Administrator; Tom Shircel, Assistant Administrator; Kathy Goessl, Finance Director; Jean Werbie-Harris, Director of Community Development; Doug McElmury, Asst. Fire and Rescue Chief; Brian Wagner, Police Chief; John Steinbrink Jr., Director of Public Works; Rocco Vita, Village Assessor; Ruth Otto, IT Director; Carol Willke, HR Director; Mike Spence, Village Engineer and Vesna Savic, Deputy Village Clerk. Three citizens attended the meeting.

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL**
- 4. CITIZEN COMMENTS**

Monica Yuhas:

Do we have any signups?

David Berman:

Good evening ladies and gentlemen of the Board and Administrators and the people here that are visiting. My name is David Berman. I'm a candidate here in Kenosha County for Circuit Court Judge Branch 2. There is an election on April 3, 2012 for a six-year term that will start on August 1st. If there are more than two people that declare their candidacy there is a primary on February 21st. I come here today not only to introduce myself to you as a candidate but also as a resident of Pleasant Prairie. I think that's significant because it is important that all of Kenosha, not just people from the City of Kenosha, get involved in Countywide politics, and that's part of the reason why I have declared my candidacy.

The main reason, though, that I have declared my candidacy is I believe that I am the right person at this time for Kenosha County to serve as their judge. I come before you today to tell you that the most important thing to me as a judge is that the citizens of Kenosha County have safety in their home and safety in their community and that I as a judge pledge to you people here today and to everyone that I have talked to that that is my single most overriding concern is the safety of the people in their homes and the safety of the people in their community.

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The court that is up for election, Branch 2, starting on August 1, 2012 will be rotating into what is called a juvenile delinquency and family court rotation. That is, in my estimation, the single most important rotation in the Circuit Court to protect the community and to protect people in their homes. Juvenile delinquents and people who come into the juvenile delinquency court it is the first time that they come into court. It should be the last time that they come into court, except as adults if you see them as productive citizens on jury duty. There are sufficient tools that the legislature has to fashion a sentence so that we can get these kids while they are still impressionable, have them take ownership of what they've done, and give them the tools that they realize that what they did was inappropriate and wrong, give them the tools to make amends to those that they have harmed by their actions. But more importantly give them the tools to see that there is another direction that they can and that they should and hopefully that they will take.

It is my goal as a judge to ensure that I can use every tool that the legislature gives to me to make sure that their first time in court is their last time in court. I give that pledge to you as the Board of the Village of Pleasant Prairie and the citizens and residents of Pleasant Prairie who are here in attendance. If I am elected the judge I will do everything I can, and I will make people safer in their homes and safer in their community. Thank you very much for letting me address you today, and thank you very much for listening.

Monica Yuhas:

Thank you. Anyone else wishing to speak?

5. ADMINISTRATOR'S REPORT

Mike Pollocoff:

I have a couple things, Trustee Yuhas. One is that with us tonight is Doug McElmury. Doug was appointed as the interim Fire Chief for whatever period of time it's going to take to be able to have the Village conduct an interview as a replacement for the retiring Paul Guilbert. Paul is like on the waning moments of his retirement here. He's still got a few more days with us and then he's using up vacation that I let him build up too much during the year. Doug met with the Police and Fire Commission, or I did last week, and he was meeting with them on filling some seats. He will be taking that responsibility on right away, and he'll be on his way to helping us move the department into the next steps that we're going to take.

Doug has indicated to me, and he's started doing the interim work, but he's indicated that he's interested in applying for it. If he still submits his application after six months then we know he's serious. So congratulations. Doug has got 22 and some years experience in the Village and in the department. So Paul is leaving it in capable hands while we go through the selection process. I'll defer on the other one until later in the meeting so that's all I have.

6. NEW BUSINESS

- A. Consider Plan Commission recommendation and consider Ordinance #11-32 to amend several sections of the Village Zoning Ordinance related to definitions for a cash convenient business, secondhand article dealer and secondhand jewelry dealer and prohibiting both indoor and outdoor flea markets.**

Jean Werbie-Harris:

Trustee Yuhas, I would ask that both the first item and the second item be taken up at the same time but separate actions be taken by the Village Board.

- B. Consider Ordinance #11-31 to amend Chapter 246 of the Municipal Code relating to Secondhand Article and Secondhand Jewelry Dealers.**

Jean Werbie-Harris:

Trustee Yuhas and members of the Board, on September 26, 2011, the Plan Commission adopted a resolution to direct the staff to re-evaluate and update as necessary any and all of the zoning regulations related to convenient cash businesses, secondhand article dealers and secondhand jewelry dealers as a result of some recent new State regulations and the rewriting of Chapter 246 of the Municipal Code which relates to secondhand article and secondhand jewelry dealers. The first item with respect to the zoning regulations was before the Village Plan Commission this evening and a public hearing was held, and they recommended a positive or favorable recommendation with respect to that approval.

Basically the Village staff has taken a look at Chapter 246 of the Village Municipal Code, and that code establishes procedures for the licensing of secondhand article dealers as well as secondhand jewelry dealers. The code that we had had up to this point mirrored the State statutes very closely. However, our neighbor to the north basically from us, the City of Kenosha, made some recent changes to their code as it pertained to the recording and reporting of articles that were taken in as trade and articles that were brought in to these dealers for incorporating into their inventory and stock for resale.

The Village Police Chief had seen this change, and in talking with the staff and the Clerk he felt that it would probably be appropriate if the regulations that the City of Kenosha's ordinance be very similar to the Village's regulations. Therefore, when a business is looking to locate in a particular area they kind of look to see that the regulations are very similar to one community to the next. This provides that consistency where we have very blurred boundaries between the communities but we could interpret things very similar.

The first thing that we needed to do, though, is evaluate some of the zoning regulations that set forth the definitions for cash convenient businesses and secondhand dealers. The situation is that our definition for a convenient cash business was very similar if not brought in the entire secondhand article dealer regulations by definition. After further review and talking with a couple businesses that were looking to relocate into the Village or actually expand in the Village,

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they were concerned that some secondhand dealers that were providing articles for sale and selling new products such as GameStop, they were treated as a convenient cash business as well.

We felt that that didn't seem to be appropriate, that the Clerk should be able to issue a license for a secondhand dealer without having to worry about the cash convenient business provisions such as having a separate conditional use and having certain specific hours of operation and so on and so forth. So we did not want to restrict ourselves from welcoming new retail business into the community that their sole purpose was not just taking something in and giving cash out but they actually had inventory of sale of new product, they do some business with respect to receiving used inventory and then paying cash out. But they have multiple things that are going on with respect to their businesses.

So the definition that I read at the Plan Commission meeting, and I think you were all present, there were five different points that distinguish a convenient cash business from a secondhand article. So we wanted to make sure there was a clear distinction between the two before we moved any further with rewriting Chapter 246 for the Village's code.

Now, bringing your attention to 246 in the information you have before you, it mirrors very closely to the state statutes. In fact, we reference the statutory authority in Section 134.71 and Section 61.34 of the state statutes. We define very clearly what the articles are, again, pursuant to the statutes and how they're regulated. A couple of the other things that we do define in here, one is pawn brokers or having a pawn shop. Keep in mind that those uses are not allowed in Pleasant Prairie. We don't allow them in any of the districts. So we define them so that everyone knows what they are. We just don't allow them in our community.

The definition of a secondhand article dealer is on the bottom of page 2, and then the definition for a secondhand jewelry dealer is very defined. I can read through all this. Again, I did this all at the Plan Commission meeting. Any person who primarily engages in the business of consigning, purchasing or selling secondhand articles except when engaging in any of the following - there are six different exceptions that are listed. Occasional transactions, those that involve some charitable organizations as defined in here when you're buying new articles, and then when it was sold and involved the return of an article. It's all clearly defined in the section.

What the ordinance changes that we looked at really start to deal with is the investigation of a license applicant, and there are very specific requirements for that. We talk about how to issue a license and what the fees are pertaining to obtaining a secondhand article dealer's license, secondhand jewelry dealer's license or for temporary events. We have specific licenses for those. A temporary event is one that occurs infrequent, for a limited period of time, only a few times in the year. So we do allow for some temporary secondhand operations.

The appeals and license revocation requirements are set forth. Dealer requirements as well as records are more clearly defined and, again, they mirror very closely with the City of Kenosha. We set forth a holding period of 21 days after the date of purchase or receipt unless the person is known by the secondhand dealer to be the lawful owner of the property that's taken in. Again, that's to avoid articles coming in that have been stolen or have been acquired by some illegal means that they don't immediately get put out as inventory for sale in the establishment.

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There's also a period of time where a record has to be made and has to be transferred to the Police Department. My understanding is that there's an electronic system that's been established, so there won't be anymore faxing unless they don't have the capabilities to electronically send this information to the Police Department. There are some other provisions that we've added in here that deal with temporary events and how to deal with those. Then the licensing - who is responsible to obtain the license and who is responsible to have background checks done on them before licenses can be issued.

There is also a violations and penalties provision. Again, the Village Clerk will be the one that's responsible for issuing the secondhand license and enforcement in working with the Police Department to do the investigation and to do follow up and other types of recording and reporting with the Police Department.

So there are two items on the agenda this evening, the first of which is the regulations in the zoning ordinance that do need to be amended specifically relating to the convenient cash businesses, secondhand article dealers and secondhand jewelry dealers and another part of that is that we have made a recommendation to prohibit flea markets, indoor and outdoor flea markets, in the B-1, B-2, B-3 and PR-3 Districts. On a temporary if someone applies for a temporary use permit they would be considered by the Village staff. But as year-round uses those uses would be prohibited.

The second part of the approval this evening would be to amend Chapter 246, Ordinance 11-31, related to secondhand article dealers, secondhand jewelry dealer licenses. With that, I'd like to recommend approval of both ordinances.

Michael Serpe:

Jean, once again, what is the fine for violation and what is the progression on fines for subsequent violations?

Jean Werbie-Harris:

I don't have that at my fingertips. If you could hold on I could look it up in our Village code. The ordinance refers to Section 1-4 of the Municipal Code as how violations and penalties would be handled. So if you're talking about fines unless the Police Chief can help me out here.

Chief Wagner:

Chief Brian Wagner, 8600 Green Bay Road. The Municipal Court has the ability to assess or to fine someone up to \$500. So at this point I don't think we discussed with the judge what the bond amount should be if that's what you're referring to, Mike. But I would think it would be a number somewhere between I guess I would have to say zero and \$500.

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Michael Serpe:

Do you have much experience with these types of things?

Chief Wagner:

Yes. When we take a theft report that's the first thing that we do? We go to these kinds of businesses to see who has sold what. So it's very important that these kinds of businesses be properly licensed and it's important that these transactions be properly recorded and documented. That's what this ordinance seeks to do.

Michael Serpe:

Good.

Steve Kumorkiewicz:

I have a question. Chief, you've got the power to go and check in the business, right?

Chief Wagner:

That's correct by virtue of the license.

Steve Kumorkiewicz:

Okay, thank you.

John Steinbrink:

Chief, is there anybody affected by these ordinances now?

Chief Wagner:

Right now I believe we have one secondhand dealer's license in Pleasant Prairie and that's Kay Jewelers. That's right, right?

Jean Werbie-Harris:

In Prairie Ridge Commons, correct.

Chief Wagner:

They would be affected.

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Michael Serpe:

I'd move approval of Ordinance 11-32.

Steve Kumorkiewicz:

Second.

John Steinbrink:

Thank you, Chief. Motion by Mike, second by Steve. Any further discussion?

**SERPE MOVED TO CONCUR WITH THE PLAN COMMISSION
RECOMMENDATION AND ADOPT ORDINANCE #11-32 TO AMEND SEVERAL SECTIONS
OF THE VILLAGE ZONING ORDINANCE RELATED TO DEFINITIONS FOR A CASH
CONVENIENT BUSINESS, SECONDHAND ARTICLE DEALER AND SECONDHAND
JEWELRY DEALER AND PROHIBITING BOTH INDOOR AND OUTDOOR FLEA
MARKETS; SECONDED BY KUMORKIEWICZ; MOTION CARRIED 5-0.**

Michael Serpe:

I'd move also approval of Ordinance 11-31.

Clyde Allen:

Second.

John Steinbrink:

Motion by Mike, second by Clyde. Any further discussion on 11-31?

Steve Kumorkiewicz:

One question for Jean. When we go to the indoor/outdoor flea markets how do you distinguish here between a rummage sale and a flea market? Because some of the rummage sales they are secondhand dealers. We have to regulate so many a year. How do you know if they are secondhand dealers? You know what I'm trying to tell you?

Jean Werbie-Harris:

Typically a flea market has multiple sellers at one generalized location. A rummage sale is typically one individual at their location or home base, and they're allowed I think four or six rummage sales a year. Typically a flea market would be at a larger gathering, a larger location, multiple owners coming in, temporary signage, things like that.

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John Steinbrink:

When a church has a rummage sale are they considered the person then?

Jean Werbie-Harris:

Rummage sales are exempt, the occasional rummage sale, auction, bazaar.

John Steinbrink:

But there would be multiple people there selling products.

Jean Werbie-Harris:

That's correct, but I would not define that as a flea market.

Steve Kumorkiewicz:

Thank you. I just wanted that on the record. Thank you.

John Steinbrink:

Other comments or questions?

SERPE MOVED TO ADOPT ORDINANCE #11-31 TO AMEND CHAPTER 246 OF THE MUNICIPAL CODE RELATING TO SECONDHAND ARTICLE AND SECONDHAND JEWELRY DEALERS; SECONDED BY ALLEN; MOTION CARRIED 5-0.

C. Presentation of the proposed 2012 General Fund, Capital and Debt budget.

Mike Pollocoff:

Mr. President, Kathy is going to go into the budget in some detail here as it's being proposed. The budget by law is compliant with the new State law that governs the operational levy of the Village, those employee benefits which is health insurance and retirement that was also set forth by law. And there's also some more subtle changes in the law that will have changes in operations. It used to be that communities received shared revenue. That shared revenue was based on the amount of income taxes and sales taxes that were collected. Then that went back to the State and it was re-apportioned and it came back to all the communities at some level reflecting some of the tax effort collection that was happening in the community would go back to the community. That started off being a very high number. As we know it's come down to be a very low number. I think we're at about \$114,000 which was the former shared revenue. Now it's just called municipal aid. I'm assuming that if the State has tough times again they'll take the rest of it. So that amount of money that people pay in income taxes won't change because now it's going into State operations and the same thing with sales tax.

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The other thing that has changed is highway aids. That was based on, in our case, and it's different for some of the smaller communities, it's based on the miles of roads they have or it's based on a moving five-year average of our expenditures and public works related to roads, dispatch and police. That is now just road assistance, and that is now when people pay their gasoline taxes there is a premise or thought that some of that would come back to the communities from whence it came as a payment. Now, that all goes to State, and the State Legislature and the Governor will decide what an appropriate amount of money that should go back to the communities is. Ours went down 10 percent this year. That means you either cut how much you do road work by or you just find it from someplace else.

So we've had some cuts in the budget as I've indicated. They're not completely offset by the changes in the law. A little bit over 50 percent of our employees are exempt from those changes and the rest of the Village employees were never in a collective bargaining unit. They were unrepresented. So that didn't change.

What we have done in this budget, the most significant change in the budget, is how we're addressing the Fire and Rescue Department. The Fire and Rescue Department over the years has been a combination paid full-time department, paid on-call and part-time and in each successive year it's been harder to get people to be a paid on-call person. A paid on-call person is essentially a volunteer firefighter. They get paid when they go on a call, and then when they're waiting for a call they don't get paid. It's a good program. But what it's evolved into is a program to train young men or women who want to be firefighters someplace, and we end up training them up for two years to get their ultimate training, longer than that, and at the end of that time if we don't have a vacancy then they're off to Kenosha or wherever they're off to.

As the budget - and we've been under caps now, some level or type of caps for five years now, we really haven't made some of the changes in some of the growth in the Fire Department that we recognize. While the Village has been growing, the Fire Department staffing levels have remained fairly constant. What's happened is the definition of a paid on-call firefighter is we don't have people who want to do that now because they're a citizen and they want to help out and they're interested in it, it's a hobby. We have people who basically now are customers. They're saying I don't want to do that. I'm paying you taxes to provide the service. We have guys who are saying I'm willing to do it if you train me. Then once I'm trained if you've got a spot for me, good. If not, I'm moving.

Regardless of what the demands are for capping how much money we raise or capping of the taxes, it just doesn't seem to stop people from calling ambulances and for calling fire trucks for services. We have no control over the growth of what the department does. So we've been having an increasing problem over time where we have full-time guys, right now there's two in one station and three in the other, that when we're short and we don't have enough paid on-call people, and we're putting paid on-call people on the schedule, when we have calls we're calling full-time people back. We need you back at the station. We have work coming. We need to staff the station because an ambulance is gone. We need more help. That happens somewhat, but it's getting to be to the point where it was happening all the time. The Chief was under pressure that we've got to be able to get both squads out, have an engine go out if we need it. As time went on

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we went from a paid on-call staff that was in excess of 20 down to where we're at now of 11. So when that happens the full-time people end up working even more.

Our responsibility - one of the core responsibilities we have for fire protection and rescue is that we need to have enough people in the station to get a squad out the door and to someone's house in four minutes for a paramedic call. If you can't get there in four minutes what's the point? You need to be able to get a defibrillator hooked up on somebody, you need to start bagging them or start the intubation process. If you can't get to a critical case in four minutes then you might as well be out in the county where they're loading them up and putting them in an ambulance and hoping for the best. That's not what people signed up for paramedic service as residents when we pay for that.

Under the current system, and it's gotten untenable with the staffing levels we're at, is one of our biggest demands for calls is car accidents. When you look at the rescue records the second biggest call we get probably except for people at a senior citizen center or that are elderly and they're making calls, are traumatic injuries at a car accident. So we get a car accident and it's on the east end of the Village, we want to be able to move a rescue squad to the call as fast as possible, but if it's a car accident ultimately you're either going to have an engine there, they have to have extrication, to get the street squared away, to disconnect the cables on the car so you don't have an engine, and you don't want your rescue squad tied up doing this stuff with the engine. So any accidents we have typically are bad ones because we have more rural roads, more highways, people are traveling at a greater speed than they are, say, in the City. When you compare the traumatic accidents that we have in the Village and compare them to the City it's different.

Right now we're in a situation with the staffing where we will send a rescue squad say out of Station 1 over to Sheridan Road for an accident, but the engine comes over from Station 2 because we don't have enough people at this station to be able to take care of it. So what we've done is we've locked up all our resources for one accident and Chief Guilbert and really to the full-time guys' credit, they make sure that things happen and we get it covered. But the truth be told there is still an ever increasing demand for calls and the demand is going for the service.

ISO just recently did a rating of the Village and our rating actually improved. But that rating was solely based on water system improvements we made for the community because we haven't made those changes in the Fire and Rescue Department. So in the budget what I'm recommending is not that we get rid of the paid on-call program because it's a good program. But, what we need to do is staff up the full-time fire rescue side of the house so that we have four full-time people in each station. We'll have enough people to man it and rescue squad, get to a call, and if in case of an accident you have another person plus a paid on-call person or a part-time person to bring an engine to that call. Then you still have the other station staffed up. Now, when we get these calls we don't just sit there and do nothing. Dispatch is immediately calling more people in to re-man the station that's here because you still have fire engines in the station. We've had instances where it's a rescue call, both ambulances are gone and they need to staff up the third ambulance we have, so we have another ambulance to go and if it goes beyond that then we're calling mutual aid.

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We're able to do this within the existing budget and not raises taxes because, one, we can't, but secondly what I'm doing is limiting some of the capital programs that are being spent in the Fire Department, and I'm limiting some capital we're spending on some of our road work. This is a problem that you don't wait for it to become a crisis. We don't want to wait and justify it to the residents by saying, well, we could have made that call but we didn't have enough guys. I think the handwriting is on the wall as far as the daytime population of the Village. They're either at work or leaving the community to do go work. It's not like the old days where you'd have businesses who would say I want some of my people to be a paid on-call person. They want people to be in their businesses from 8 to 5 or whatever their shift is. They don't want them to come out being a firefighter or a paramedic for a period of time.

We have 19 positions budgeted. We have 17 that are on the street. This brings us to 24 positions. We've had a consultant look at it. You look at a comparable community, if you look at population we're 10 short. If you look at the area, we're probably 25 short. But on the other hand those communities don't have paid on-call people. What I want to be able to do and what we are going to do is still maintain the paid on-call program, but we're looking for the paid on-call people to be the muscle of calls. If you're going to be a paid on-call person we're going to be able to get you through firefighter 1 and firefighter 2, and you're going to be trained and certified and capable to be at a fire to work with the full-time guys there, supplant them, help them out, be at a fire. They'll be able to drive an ambulance if they need to drive an ambulance. But they're not going to be the paramedics. We're not going to be spending our resources training somebody to be a paramedic who in all reality isn't going to be here that long. I don't foresee us in the future having that much turnover.

But the system that we have been running right now has been less than desirable for people to work here. They can go to the City of Kenosha. Our guys have to be paramedics, pump operators, drivers and everything and then go to the City of Kenosha and just be a pump operator, or they can just go to the City of Kenosha and be a driver or a paramedic. They don't have all the drills we have here. We want our people to be cross-trained that way. But I think we just need to re-shift to the reality of what the marketplace is giving us as far as people and still have a core of paid on-call people but not have as much reliance as we have on them.

So that's the biggest change in this budget. There are some other ones. Again, I think that we're up a couple hundred calls from a few years ago, and all the trend lines are still pointing up. We have more people that are working here. Our daytime population is almost more than our regular population. We're living off those property taxes. I think we need to get it squared away before we have a problem. So it's something that the Fire Department has been asking for for a while. We've put in people when we can. But I think we're at the point now where this has got to be funded. It's one of our core services, and there's no sense in waiting for something bad to happen. That's the biggest change in the budget. It creates a different look as to how much we're spending in the general fund part of the budget as far as it relates to levy versus capital. But at the end of the day we're still at a sixth of a percent increase which basically is new development or growth in the Village.

I'll let Kathy walk through the sheets and walk through the explanation, but as you go through it that's the primary change that we've had in the department. We want to make sure we get this

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thing done right. We have a good group of people that train really hard, work really hard. They do things that most people don't want to be confronted with on a day-to-day basis when they're doing the work and to hamstring them by not giving them the help that it's become obvious that they need I don't think is a smart way to go. With that, Kathy, why don't you run us through the rest of the budget.

Kathy Goessl:

Mr. President and Board members, I have a presentation that has four sections. I'll talk about the operating section of our budget and then look at our debt and also capital improvement plans and then look at how that affects the tax levy. I'll start with the operating section of the budget and I'll review new programs, program reductions, revenue enhancers, as well as look at each of the revenues and expenses and how they have changed from last year's budget.

The first thing I'll start with is recommended new programs and Mike has talked in great detail so far on the first one which is for the Fire and Rescue Department. With four in the station the Fire and Rescue Department submitted two options for this, and Mike has recommended option A which is seven full-time firemedics for a total cost of a little less than \$540,000. This new program request identifies our need for minimum staffing at all times in both stations. A minimum staff of four will allow an ambulance to respond with a full staff of three and provide immediate standby, or allow immediate response of four to a vehicle accident, fire or other serious incident. This option consists of adding seven full-time firemedics and no additional part-time hours.

Number two on the list is in the public safety communication area. It's to adjust and increase dispatch staffing. This is to increase our staffing and switch our dispatchers from part-time dispatchers, right now we have seven part-time dispatchers, to nine full-time positions for a cost of \$218,000. But this would only happen—we're currently in negotiations with another community or two to be able to combine with them, and they would offer a revenue, dispatch contract revenue, of about \$194,000. So if our negotiations with another community falls through number two would not be recommended. But if it does it would cost \$31,000 net to the Village's department after we found the revenue from the other community.

Public Works increase part-time starting salary. This is to increase the part-time employee in the highway division to keep competitive with local starting salaries and wages and attract and keep more seasonal employees. This would increase our starting wage from \$8.15 to \$8.50 per hour. The last item on this list is in the parks area. It's to replace rotten wood in park benches. It takes the wood and replaces it with some type of plastic for a cost of \$2,500. So our total new program recommendations are \$578,452.

Here's a small list of what was not recommended. The first one is in the Engineering Department promoting our part-time clerical to full-time. The second one is fire and rescue. This is option B that the Fire Department had to add instead of seven full-time fire medics to add four full-time fire medics and then fill the rest with part-time to have four in the station. This program cost a little over \$400,000 compared to the \$535,000 that was on the other one. It's very hard, as Mike was saying, to obtain the part-time for the station, and the cost difference of \$140,000 in

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comparison is not that much when you're talking about a half a million dollars worth of staffing. It would be a lot easier for us to maintain four in the station with full-time people and then fill in with part-time than depend on part-time.

Mike Pollocoff:

The reality is there really isn't that many part-time people available that become familiar with your equipment, your operational procedures and make themselves available whenever you need them.

Kathy Goessl:

Then the third one that we're not recommending right now is to hire a dedicated IT person to be in the public safety communication area. This is being pushed probably to 2013. This dedicated IT person would be necessary if we decide to go to 9-1-1, having all the calls come to us for Pleasant Prairie instead of going to the City first and then coming to us. At this point we wouldn't be ready to implement that in 2012. These are the three programs we do not recommend.

These are the program reductions that we do recommend. The first one is from our IT Department. It's to reduce maintenance contracts for Cisco hardware. This maintenance covers the network backbone and switching equipment throughout the Village's network. Each piece of equipment is covered by a maintenance contract to ensure replacements are available when a failure occurs by next business day. This reduction reduces maintenance to the lowest level of less critical network equipment which would include your Wi-Fi access points and our secondary switches. Therefore we would not get next business day but could be up to a week to two weeks on these less critical pieces of equipment saving the Village \$12,000.

The second one is in the HR Department - discontinue a data voice communication device. This device is used by the HR Director to access the web in places where there is not a wireless web and even though it's nice, she found that she wasn't traveling enough and she could find places with internet connections to not justify the cost of this program. So these are the two programs that we have recommended to reduce.

We have a long list here of ones that were submitted in by our department heads that we are not recommending to be reduced. The first two were from the Fire and Rescue Department, and it was to fill vacant positions with some contracted firemedics. After further evaluation it wasn't worth the savings to fill in with contracted versus our own employees. So those two options were not recommended.

Our third one was in parks, landscaping, that's \$11,000. That's to reduce the amount of landscaping work we do with fertilizer and that kind of stuff in the parks area. Police - eliminate a police officer; public safety communication eliminate a dispatcher; public works - change public works staffing to four 10-hour days to save on overtime. As you can see there's not much savings in this program so we're not recommending that. And then public works, the last two projects or items have been brought before us before - eliminate snow plowing overtime on

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subdivision roads and also to reduce the use of salt and mag chloride use. Both those we're not recommending.

We have a long list of revenue enhancements which are very small dollar-wise in total. Each of the departments listed here made small recommendations for fee increases. Most of these are fee increases except for inspection there's a couple new fees. Life safety inspection and low voltage sign permit fees is being recommended because these activities are time consuming, and the State is also enforcing that these inspections be done. So those two are new fees in the Inspection Department more toward the bottom here. All the rest of these fees are increases in our current fees by not many dollars but to keep pace with the small amount of (inaudible) we currently have and neighboring communities. So the total here between Community Development, Engineering, Fire and Rescue and Inspection total a little less than \$13,000 of recommended fee increases and implementations.

Our top four operating revenue categories are on the graph, and it shows how they have changed. The blue is this year's budget and the red is our proposed budget. The top four categories for revenue are intergovernmental, licenses and permits, public charges and other taxes. Intergovernmental revenues are going down \$1.2 million. The major reason for that is that our road grant from the State is being transferred to the capital project fund to cover road maintenance expenditures. We felt that that's a better place for that revenue from the State to go because we were using it to cover road maintenance, not operating expenses of the Public Works Department. So that's been moved, and that's the major reason that intergovernmental has decreased.

Licenses and permits are going up \$74,000. The major reason for that is an increase in building permit fees of \$61,000. We're seeing a small trend going upward in terms of people obtaining building permits. Public charge for services is down \$70,000, and the major reason for that is decreasing across all categories in the public charge area except for franchise fees which is going up \$30,000.

Other taxes increased \$92,000, and this is mainly due to an increase in utility tax equivalent from the water utility. The water utility pays a utility tax equivalent to the general government. The water utility's fixed assets have not decreased in the last couple year similar to property values that have been reassessed. So, therefore, their value is up but then also our tax rate has gone up because our other values across the Village have gone down. So the water utility is paying more in utility tax.

This is the four major categories broken down with what's included in each one of them. As you can see this is the intergovernmental that's going down a little over a million dollars. Income tax from State is going down by \$50,000. That's a reduction in the shared revenue part of our income tax from the State. This also includes our utility for the power plant share also which didn't change much. Road grants from the State was \$911,000 last year. It was reduced by 10 percent or \$91,000, and then we transferred that to the capital project fund, and you will see that in the next section, to fund road maintenance. Mainly the road maintenance project we're doing is 116th Street.

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The emergency government grant, the \$105,000 there was a budget amendment that brought that amount up to \$105,000. We initially didn't budget for that, but it was for the February 2nd blizzard. For 2012 we had budgeted zero because we don't budget for these types of emergency situations in terms of receiving money. We don't budget any money for emergencies. In this respect we use fund balance, and then if we get a grant then we'll budget amend the grant in here. But right now we're hoping not to have those types of things for 2012. Fire insurance is pretty much equal or even with last year, up a little bit. Exempt computer aid the same. Other include law enforcement grant, ambulance service grant, State payment from municipal services which are down a little over \$6,000.

So overall we're looking at intergovernmental revenue going down a million dollars in the operating section of our budget. The major part of that is the transfer of road grants from the State to the capital projects area.

As for licenses and permits, you can see the breakdown of where we receive our licenses and permits from. The major increase is in building permits, and the category within building permits that's up the most is commercial building permits. We're anticipating a couple big commercial projects for an increase of \$50,000 in commercial which accounts for the majority of that increase.

Zoning permits increased overall with anticipated pickup in activity within the Village. And then Fire Department permits they're to pay a little bit less, but that's all based on demand. And then property record maintenance, again, we're looking at a little increase in building activity, therefore increase in revenue in that category also. So overall we're looking at a little bit less than \$74,000 increase in license and permits compared to last year's budget.

Public charge for services - that one has pretty much stayed level. You can see the breakdown of where we receive our revenue for services. Rescue squad earnings the reason that is going down is that the budget for 2011 was anticipated or budgeted too high. 2011 is really looking at coming in at or estimated at coming in at \$314,000. The 2012 budget is based on the average of 2009 through 2011. 2011's budget actually was out of line in terms of what historically has happened.

Mike Pollocoff:

The other thing that factors into that is we have a good number of calls that are Medicare and they reduce their payments on what they're paying for services as does the insurance company. I don't think anybody, especially for advanced life saving paramedic calls, receives the full cost for this. As our rescue call numbers go up it doesn't necessarily drive your—the lot goes up, but what insurance companies are willing to pay goes down and with the number of people that we pick up at senior housing or nursing homes those Medicaid rates go down. They don't go up.

Kathy Goessl:

But also for rescue squad earnings we have switched to a new collection agency, and they are going to certify a group of our past due accounts with the State of Wisconsin for refund intercept. Last year we did that with a group of our accounts from Municipal Court, and we were able to

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collect an additional \$25,000 worth of revenue in the Municipal Court as a gross revenue receipt. We were collecting things that were over ten years old through the refund intercept. So we're doing the same thing with rescue squad earnings so we'll pick up some dollars there, too and that's not really budgeted in here in terms of over anticipating that collection area.

Engineering Department services are down. This area, billing developers has decreased dramatically. This is also billing to our internal projects, and those have decreased slightly for a total overall anticipated decrease of \$53,000 in this area. Street lighting was overestimated in terms of what we were collecting. This number that we're budgeting here is what we're currently estimating for 2011.

Fire Department earnings are similar. Administrative fees are similar, down slightly because this also is developer driven. IT is basically our IT Department does work for the Kenosha Convention and Visitors Bureau. That's the charge that they get charged for that service. Franchise fees are up. This is collections from Time Warner and AT&T, and this number is based on historical collections that we have had.

Other includes weed and nuisance control which is up \$10,000 and Highway Department earnings which is up \$2,500. For weed and nuisance control we now contract that out to an outside vendor to actually cut the grass and mow the lawns, so we can do a lot more and then we charge out that amount to them. So in the actual expenses they're up, too, in terms of the contract. So overall we're looking at a 7 percent decrease in the charges for public services.

Other taxes is up \$91,000. The biggest thing here I talked about before is utility tax equivalent going up \$105,000 compared to this year's budget. Everything else is going down slightly. Another reason for that decrease is because we rang up some delinquent personal property taxes that we're anticipating for next year. So there's not much change here in this area.

Other areas of revenue that the general government operating fund has is intergovernmental which is the school officer, the assessing contracts with other communities and utility lease payments to the enterprise funds. This is down \$9,000 from last year out of \$419,000. Fines is Municipal Court and parking ticket revenue down slightly to \$274,000. We overestimated slightly the impact of the refund intercept program and the courts. Even though it was very successful, it wasn't quite up to where we thought we could get the revenue. Miscellaneous includes interest on investments, tower leases, media communications were down—we're actually up \$275,000, and it's mainly due to a rebate that we're looking at \$30,000 on the new purchasing card with US Bank, and then offset by some interest losses on investments because the interest rates are as low as can be in terms of what we're receiving from the bank. So that was the revenue side of things with overall revenue up from last year's budget.

So the next category we're looking at is actually operating expenses, how we're spending our operating money. This area is the five main areas we have for spending our money in the operating section, public safety, public works, administration, CD and parks. Public safety is up \$570,000 mainly due to the new program of adding the seven firemedics. Public Works is down mainly because of a reduction in the purchase of salt from \$234,000 to \$160,000, a decrease of \$74,000 in salt purchases. Administration is even with last year, and then CD is down \$12,000

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and parks also down \$30,000 mainly due to the reduction in the cost of emerald ash borer spraying which has saved \$37,000 over what we initially anticipated.

So this is a little bit more detail on each of the areas we have, public safety and how things have changed. Overall for the fire and rescue and police area there is no raises budgeted. Overall there's a decrease in health insurance across all general government departments of \$76,000. That's mainly due to 2012 we budgeted an increase in health insurance, and after the budget was approved we actually got a better bid on insurance and, therefore, saved money in 2011. So we're still projecting a 10 percent increase over this year, but we had a bigger increase budgeted that didn't materialize last year.

So police, as I said, there's no raises budgeted here. There's a decrease in health insurance expense and overtime wages, and there is a slight increase in wages but that's due to step increases. Fire and rescue - the increase is mainly due to a vacant position being unfrozen. Again, there are no raises here and it's a slight decrease in health insurance. Inspection went down, and that's mainly due to the elimination of the building inspector supervisor at the end of 2010 after the 2011 budget was approved.

Public safety communication reduced mainly due to employees paying 5.8 percent of their Wisconsin retirement contribution which accounted for \$12,600. The public safety communication area does have a raise for their employees anticipated for 3 percent. Roger Prange is down slightly from last year's budget, and the new program is the addition of seven full-time firemedics for a total overall increase in the public safety budget of a little over \$570,000.

For the Public Works area we're looking at a decrease of \$242,000. For engineering there's less wages and benefits being charged to the actual Engineering Department. There's more being charged of engineering and employee staff time to Public Works Department working on road-type engineering and also to our clean water budget. Public works is down mainly due to a reduction in wages and benefits including \$20,000 for Wisconsin retirement for their employees paying 5.8 percent, overtime reduction of \$15,000 and health insurance savings of \$5,000. Also, as I mentioned earlier, the reduction in salt expense, about \$74,000, and then also because there was less wages charged to Public Works there's also a reduction in the fleet internal service fund charge for equipment being used. Street lighting increased due to electric costs for new streetlights which is the streetlights by the roundabouts on Highway 165 and the new program is an increase of the starting part-time wages for the Public Works Department for a total decrease actually of \$242,000.

Administration includes all the departments listed up on the screen. Their budget is actually going up slightly, but there's a lot of decreases in a lot of these departments. These departments all include a 3 percent raise. What does a 3 percent raise mean? It means \$86,000 across all departments, not just Administration. There's also CD and public safety and the parks area and highway and except for police and fire and rescue we didn't budget a raise because they're not paying the 5.8 percent Wisconsin retirement contribution or any portion of it. The Wisconsin retirement contribution across the board is \$156,000 savings, and health insurance reduction due to our bid coming in for health insurance in 2011 lower than anticipated is \$76,500 across the

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board. So net savings mainly in the administrative category is \$146,000 when you take all that into consideration in terms of the raise of 3 percent minus all the contribution and the health insurance savings.

Administration here is up \$37,000, and this increases mainly due to the election law changes and the chance of a recall election for the Governor. That increases their budget \$35,000 based on the new law changes and also the recall election anticipated.

Mike Pollocoff:

I just want to add that that new voter ID law, I'm not saying it's good or bad, but it is going to require more poll workers at the polls to deal with provisional ballots and the work that goes along with that. The other thing that's going to happen is with the census and some of the lines we've seen at the existing polling places we're going to be setting up—it's going to be smaller but we'll do an central count for absentee ballots rather than having the poll workers feeding the absentee ballots in between regular voters at the polling places. But Jane based on her last meeting with the Government Accountability Board based on the procedures that we're going to be following with voter ID it's going to be more significant than some of the rules going along with it than the people are thinking.

But the bulk of that is really planning for a possible recall of the Governor. We got caught short and basically it was the same thing for the recall for Senator Wirch. You have to staff up there for everybody to come in and get the ballots done and all that stuff. None of that gets charged back to the County. It's all coming back to each individual community for what it takes to run those elections. It's a little bit different than a normal election where some of that stuff gets charged back to the County.

Kathy Goessl:

Next IT increase of \$25,000, and this is mainly due to an increase in software maintenance agreements and the main increase there is due to the new police and fire software, their annual maintenance is being charged to the IT Department. Wherein in the past it actually got charged I believe to the police but it was a lot smaller amount. Finance and Assessing - the majority of the decrease is again in Wisconsin retirement with employees paying 5.8 percent and the reduction in health benefits costs. Village Hall increase is mainly in janitorial services and contracted building maintenance and the program reductions as mentioned before is a reduction in contracts for Cisco hardware and the HR discontinued data and voice communication device. So overall we're looking at less than 1 percent increase, a little less than \$10,000.

Community Development is also down 3 percent for a total of \$12,309. And this is, again, mainly due to the employees contributing 5.8 percent as well as the health insurance reduction in cost. In the Parks Department, again, we're down here, and this is mainly due to contractual services being reduced. That is because of the emerald ash borer spraying down \$37,000 from what was initially anticipated for that project. The new program, again, is the \$2,500 for the benches, switching the rotten wood out of them.

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Mike Pollocoff:

The other thing I might add that's in the park budget that they've been able to assume is the State has completely walked away from maintaining any of the medians. We get two mowings from the County. It's not the County that's holding up but the State is only paying the County twice. So you get a year like we had this year where a lot of rain and everything is growing, the decision we made or we've made in the past is we get after people for not mowing their grass, but then you drive around the community and the weeds are growing like mad. We try to stay after them. But one thing we have discovered as time goes on they're cutting away more and more that they're doing and we're having to do more and more. I think it's probably fantasizing to think that they're going to reimburse us for that.

Kathy Goessl:

This slide shows the summary of our operating revenues as well as expenses in a summarized fashion. It compares the 2011 budget to what we're proposing for 2012. The major changes as you can see for the revenue area is the property tax levy is up. This is actually transferring money from the capital project fund over to the operating fund. As I mentioned, we transferred road aids to the capital project fund, and in return the capital project fund we transferred back tax levy in the budget and then we transferred the money over to fund the additional seven firemedics from the capital project fund, therefore reducing our road maintenance program.

Other revenues mainly down due to reduction in the road aid portions. That's the transfer of the road aids, again, to the capital project fund and then it also got reduced \$91,000 from the State. We talked about the revenue enhancers, so overall our budget here is going up \$684,000 in the revenue area. Expense-wise increases are mainly due to the new firemedics of \$540,000, a raise to the full-time employees of 3 percent or all employees 3 percent. They are currently making their 5.8 percent contribution to Wisconsin retirement offset by the Wisconsin retirement contributions by these employees of \$156,000 and health insurance reductions of \$76,000 and salt purchase reduction of \$74,000 makes up the reduction in expenses of \$295,000. Those are just the major key points that were reduced.

We're proposing a balanced budget for 2012. In 2011 we budgeted to use the reserves by almost \$400,000, but based on our current estimates from our department heads we're actually looking at a break even budget for this year because we were able to save close to \$400,000 in a combination of increased revenues and reduced expenditures to be able to estimate almost a break even budget for this year. But for 2012, we're actually proposing a break even budget. So that's the operating section of the budget. If there are no questions I'll move onto the capital section which is section 2.

This is a list of the recommended capital purchases. In the beginning the departments that have a lot of capital purchases I'll go by department, and then there's a summary of all the miscellaneous departments that have only one or two things at the end of this. The first department is Fire and Rescue, and they're in the order with the highest cost project on the top of the list and the lowest cost at the bottom of the list. The first thing is the fire radio repeater conversion. This project is intended to convert our existing single frequency radio system into a repeated radio system. The

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Police Department has already done the majority of this conversion. The Fire Department is looking at also doing the same thing with the repeater.

Protective clothing is to replace all the protective clothing, firefighting clothing. That includes their helmets, hoods, coats and pants and boots for those who need it. Station 2 building maintenance - this project consists of recoding the apparatus bay floor with protective non-slip finish and the hazmat equipment - this is proposed to purchase basic hazardous material response equipment for the Fire Department and rescue equipment trailer is to purchase a trailer to carry a variety of special rescue equipment. So there's five projects here that we're recommending for the Fire Department.

For the Police Department we're recommending four projects. Again, they're in order of the highest cost project first. The first one is the Police Department expansion/remodel. This project would fund the interior build out and Police Department expansion into the now vacant space formerly occupied by the Municipal Court. This project will use impact fee dollars. The vehicle fleet replacement, this will allow us to replace out fleet at a rate of every two years for marked squads and every four years for unmarked squads. So these are the vehicles that are up for replacement this year. They also want to add an unmarked squad because the current unmarked squads are being shared by a number of people and then also purchase a multi-purpose canine. This project was scheduled for this year, but because of the number of vacancies the Police Department had it's been postponed and re-put on the budget for 2012. This is to fund the replacement police dog.

IT has a group of projects here. The TV and security system replacement - this is replacing equipment at the end of their life for security cameras. Data center maintenance - the Village is running the majority of its business out of a central data center which needs an improvement to the power UPS and also the HVAC. Microsoft SharePoint - SharePoint is going to be the central hub of access to data throughout the Village. This project will help strategically plan to provide key central systems for SharePoint and then storage is replacement of the storage area network. The finance database is upgrading our current time keeping system which is Time Clock Plus which hasn't been upgraded since we purchased it over five years ago. Engineering databases and applications is the engineering staff uses modeling software, and this is to get them—they have the water modeling software and this is to get them the sewer modeling software.

And then the last thing is a group of things that were on the project list that currently fall underneath the \$5,000 limit that we implemented or the Board approved a month ago that starting in 2012 anything under \$5,000 would go into minor equipment. At this point this \$8,100 will be transferred to the operating budget when I present it for approval in November.

Then for road maintenance we're looking at only one road maintenance project, and this is 116th Street from 39th Avenue to Sheridan Road. And this project will be a structural overlay on 116th Street. What will happen is there's a 1.5 inch levying layer and then installation of some fabric and two inches of surface asphalt to improve that road, and then shouldering and line striping.

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Mike Pollocoff:

If you think back, we had gone through a process when that road could stand complete reconstruction and storm sewers. The ditches are pretty deep. We did get some push back from the residents who didn't want the road widened out because if we widened it, if we put the storm sewers in place of the ditches then we'd be paving the road over that. But given the current condition of the lack of or reduction of shared revenues and our need to kind of remodel our road capital, we're recommending we do the same thing on this stretch of 116th for a good part that we did on the other section of 116th Street. This really cleans up our last arterial in the Village as far as resurfacing and repaving. In subsequent years we'll be able to move into the subdivisions and start picking them off and getting those roads done.

Kathy Goessl:

In the parks area we have four different projects in this area, again, prioritized by highest to lowest cost. The first one is Prairie Farms Trail improvement. This started out as a sewer project so we give access to our sewer line. But enough work has been done to accomplish what is needed to be done by the sewer utility to access their lines. Now the trail is being improved for a trail to be used by Village residents. This space will complete the river crossing, and it will use a grant that we're receiving for \$45,000.

And then Ingram Park improvements is for trees, landscaping, the sign and pave the entrance. And this will also use impact fees, neighborhood park impact fees. Village Green neighborhood park of \$30,000 will construct a playground and, again, use impact fees and Creekside neighborhood park will be a playground and a play field and, again, we'll use impact fees.

These are the projects that were asked for by other departments. The first one is voting equipment for administration, and that is to replace the voting equipment we currently have and then add additional equipment for the absentee voting area. Inspection is asking for a vehicle replacement for \$18,000. Public safety and communications is looking to upgrade and reprogram radio system. This is a replacement of the antenna on the radio tower and reprogramming all the radios per federal mandates and then paint the Roger Prange building for \$15,000. They did start this summer with calking around the doors and part of the building, and now this will finish it off by painting and then also the rooftop HVAC. This was in here last year and also has been pushed forward. This is more of a what if our unit breaks down. This year hopefully it won't break down. But we have moved this project along just in case because it's getting pretty old.

This is what we're recommending not funding. The first thing is in the parks area with the north ball field, construct the pavilion and parking lot. This is like the parking lot portion of it. Public safety communication, the 9-1-1 system purchase and install we're not ready to do that at this point so that's being pushed off and then four different road type projects, the microsurface, the micropave, pulverize and relay asphalt and mill and relay. These projects in your detailed book by the Public Works Department actually showed a map of the areas that he was recommending to pave but we're not recommending that because currently we don't have the funds in the general capital projects budget to be able to do that. All these roads were not main roads, they were subdivision roads.

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So in summary here's the capital project fund budget and it's similar to what I showed for the operating portion. It compares the 2011 budget to what we're proposing for 2012 and the changes. The tax levy - this is a shift—the reason it's being reduced is all of this money is being shifted to general government to the operating section, that's why the big decrease there. To offset part of that decrease you have the road aids coming in for \$820,000. As for grants, the 2011 grant of \$125,000 was supposed to be a grant we were supposed to receive for local road improvements which we didn't receive but we anticipated receiving in 2011. The \$45,000 is for a grant for the Prairie Farms Trail improvements. Impact fees - those are the impact fees we're estimating collecting. Interest and other are staying the same from one year to the next in terms of what we're proposing.

We borrowed money in 2011. We're not looking at borrowing any money for 2012. Capital outlay is actually being reduced down to \$1.8 million compared to \$2.4 for 2011. For fund balance-wise we are looking at—this \$4.4 million actually includes all of our borrowed amount which will be gone by the end of 2011. So if you look down at the bottom here, unrestricted balances there's \$3.2 still includes \$1.4 of borrowed funds, but by the end of 2011 all the borrowed funds will be gone and our actual unreserved balance is \$450,000. Then we're proposing a budget that will bring it down slightly to \$429,000. We are using impact fees, that's why the impact fee line is going down \$311,000. That's impact fees being used for the Police Department remodel as well as the park projects we talked about plus an increase from collections. So overall we're looking at pretty much staying unrestricted similar to what we're anticipating ending 2011 with.

Onto section 3, debt service. This is a good trend line with our debt going down in terms of what's outstanding for the Village. At the end of 2012 our debt will be down to \$6.4 outstanding from back in 2005 where we were close to almost \$14 million. So we've done a good job of paying down our debt and not borrowing for a number of years to get this to this point.

This is a summary comparing the same as our operating and capital. This is our debt service fund summary. You can see that in the center section it shows our principal and interest payments. That's where it's primarily driven from in terms of this summary. It's going down over \$91,000, therefore we need less money or revenue coming in to balance this budget. So we're bringing in less tax levy. Special assessments there's less being collected just based on the projects we have outstanding, and a slight decrease in interest income due to the low interest rates we're receiving currently.

So this budget is balanced, and it will reduce the fund balance slightly from what we were anticipating ending last year with, because we actually borrowed an additional million dollars in 2011. Well, not borrowed, but the sewer fund borrowed it and they didn't need it because we thought that the Sewer D relay was going to cost more money, so we transferred the money to the general government debt service fund or capital project fund so that we could basically use the money to purchase land for Chateau Eau Plaines roads in that area. So that's why we decreased some here is due to that additional million dollar borrowing we had. That was a little confusing. Pretty much we're on the same track here.

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So how do these three sections, operating, debt and capital affect our tax levy for our taxpayers? This is the State levy limit. We're looking at an increase of \$120,000 and this is the max—well, there's still some money we could take, but this is the max on the base operating end of things. We did lose—we didn't levy to the max last year. We lost like \$250,000, not lost it but we didn't levy for it, so therefore with the new State laws we're not able to take that money back. We could take it back but basically if we took it back quarter by quarter it's like 25 percent you can take back per quarter then you have to reduce any debt that's prior to July 1, 2005 and when that debt goes down which is does for us \$140,000 and some this year, we would have to decrease our levy also. So it's either/or. You can take your lost levy limit or you can not reduce your debt. So our best alternative is not to reduce our debt.

Here's the increase of \$120,000 which is our limit. Here's how it's breaking down by funds, operating, debt and capital. You can see operating goes up to \$7.1 million, and that's mainly due to us transferring \$1.4 million over here from capital. You can see the arrow going from capital to operating and then debt pretty much stays pretty level, just down slightly and capital because we transferred that \$1.4 million and went from \$1.8 to just a little less than \$400,000. But overall even though all these shifts are happening our levy limit went up \$120,000.

This is a comparison of what our assessed value is compared to our mill rate. This budget would bring our mill rate—our assessed value is still estimated because we haven't got final manufacturing values, but this should be pretty close. So our assessed value is at \$2.64 billion, and this would then give us a mill rate of 4.01 just up one cent from what we had this year. So what does this mean for our median average resident? We did not do a revaluation this year so basically our median stayed the same, no change there. Our Village tax for this person would go up \$5, less than 1 percent. That's the review of the operating, debt and capital for general government.

Michael Serpe:

A couple things, Kathy. Just a question. How much money does the Village of Pleasant Prairie give the State of Wisconsin?

Kathy Goessl:

In terms of income taxes I don't know that answer. Mike, do you?

Mike Pollocoff:

Last time I looked and this was probably in better times it was \$14 million.

Michael Serpe:

\$14 million, nice.

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Mike Pollocoff:

That's everything, sales tax and income tax.

Michael Serpe:

The percentage of cash reserves on hand?

Mike Pollocoff:

The general fund is at 15 percent which is the ordinance that the Board has adopted in the general fund.

Michael Serpe:

That's right where it's at, 15 percent?

Kathy Goessl:

It's a little bit more than 15 percent. We have an additional \$900,000 over 15 percent.

Michael Serpe:

And to keep our rating as is we have to keep it as close to 15 percent as possible?

Mike Pollocoff:

We can't go below.

Kathy Goessl:

We can't go below 15 percent but you can always—they don't care if you go over 15 percent.

Mike Pollocoff:

When we do the bond rating the Village has done a good job of, one, not going into the hole and going into reserves. I think back to some of the big series of bad winters or bad storms and we've gone into reserves but then we've been reimbursed to get back out of it. That's what the reserves are for is for some kind of calamity that happens and we've used it for that. The departments they know the mission that you charged them with is to manage the budgets as tight as we can, and hopefully we get some extra revenue along the way. But as Kathy indicated this year, we thought we would be using up some of that reserve, not the 15 percent but what was available (inaudible) end of the year at zero so we're not going to take any of that. As we start on this new course of running everything down to zero that's going to get harder as time goes on.

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Clyde Allen:

Just a quick question. We've gone through four tough years, fourth tough year in a row I want to say holding costs down, everyone from employees to department heads. The Administrator has done a terrific job. But the highlight for me is to see our debt service going through four tough years has gone down greater than 50 percent over the last seven years. That is quite a feat. Thank you.

John Steinbrink:

Kind of ironic, doesn't the Governor believe in borrowing--

Mike Pollocoff:

There are no borrowing restrictions.

John Steinbrink:

We're reducing but he's encouraging us to go out and borrow.

Mike Pollocoff:

That's one thing you guys should keep in mind. We could come up with \$600,000 extra. If you wanted to look at funding the paramedics without doing any road comprising from the capital funds, you can take a \$600,000 add. You'd have to raise the levy for that. You'd have to include that in the levy. Typically what was done in communities before you were able to have your debt declined rather than raising taxes as debt was retired you could keep it level. What we've done for years is use debt to fund the capital program but now that's not permitted. The Village to the staff my recommendation was not to do that. One of the things that was available to us was to be within the caps that were prescribed, we could still put in \$600,000 and it would be legal, it would be within the caps. But these are difficult times and there's no sense in pushing everybody up to the edge, but that is available if you ever wanted to use it but it's a declining amount I think over the next four years. So it wouldn't be \$600,000 in the following year. It would have to be something that would go into capital and not operations.

Kathy Goessl:

It's \$600,000 now, and the reason for it is any debt issued after July 1, 2005 we can put in our levy and then what happens is it goes in the levy one year and it comes back out again. We have been putting it in all our new debt. We refinanced a couple notes after July 1, 2005 which would also count, and we could have also used that amount but we haven't in the past. This year that amount is \$604,000 which legally we can add to our levy, but next year it declines to \$400,000. In three years it's like around \$400,000. But the impact of that would be if you used the whole \$600,000 the mill rate would jump up to 4.27 and an average median home would be \$56 more than the \$5 we're currently recommending. It's legally permitted but Mike and I are not recommending it right now.

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Mike Pollocoff:

But you're not penalized if you decide—

Kathy Goessl:

You're not penalized doing it.

Mike Pollocoff:

You're not penalized if you decide to borrow. Those people have their influence on the budget, that's permitted.

John Steinbrink:

Other comments or questions?

Steve Kumorkiewicz:

I think that Kathy has put in a lot of hours and Mike and everybody involved. Just to come up with a levy increase that we've got is in relation proportionally to the Village limit. That's an excellent job. To be able to keep the mill rate at one penny is a tremendous job. You have a lot of figuring in that, increase some of the personnel on the Fire Department and some improvements we're doing. I remember Mike from many years ago he said the revenue share is going to go to capital because eventually we're going to lose it. You said that about five or six years ago at least. That was a very wise move because (inaudible). That's great. Many communities we have a chance to hear they have all kinds of problems with the budget so we're lucky being at this point.

Michael Serpe:

Just a final comment. I commend Mike and Kathy for identifying a need in the Fire Department and being able to afford to pay for it. It's been a section that's been neglected for I feel quite some time. It's time that it's upgraded to where it needs to be. It's a good start. Hopefully we'll get to where we need to be in a couple years and get Station 3 underway. We'll be in good shape.

Steve Kumorkiewicz:

That shows the commitment we've got in the Village Board in the safety of the residents.

John Steinbrink:

Thank you, Kathy.

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Kathy Goessl:

You're welcome. So we'll publish this in Sunday's paper for a public hearing November 14th?

Michael Serpe:

Yes.

John Steinbrink:

How come there wasn't a best budget in that *Kenosha News* survey thing? We had everything else in there.

Clyde Allen:

I'll make a motion to adjourn.

7. VILLAGE BOARD COMMENTS

John Steinbrink:

Were there any Village Board comments?

Clyde Allen:

I'm sorry, I thought we just did that.

Steve Kumorkiewicz:

I've got to make a comment. The roundabout that we've got in the Village works beautiful. Today I had a chance to go in Rolling Meadows and what a mess. The way they've got it signed, exit 1, exit 2, exit 3 I had to make three rounds before I could get to the right place. The way that they have the roundabout is a mess. We've got it beautiful here. We know exactly where to go and what lane to take. Illinois is such a mess but they've got three ways coming in and stop signs on top of that. You don't have time to see where you're going. Here I didn't hear any complaints. But I sure can complain about the one in Rolling Meadows and the other one in Morton Grove. We're doing good here.

John Steinbrink:

They did some research actually in Argentina when they only had goat carts they had roundabouts. They worked well there and they've progressed to what we have today. Other Board comments?

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8. ADJOURNMENT

**ALLEN MOVED TO ADJOURN THE MEETING; SECONDED BY KUMORKIEWICZ;
MOTION CARRIED 5-0 AND MEETING ADJOURNED AT 7:43 P.M.**