

**VILLAGE OF PLEASANT PRAIRIE
PLEASANT PRAIRIE VILLAGE BOARD
PLEASANT PRAIRIE WATER UTILITY
PLEASANT PRAIRIE SEWER UTILITY**

**9915 - 39th Avenue
Pleasant Prairie, WI
November 14, 2011**

Immediately following the 6:00 p.m. Plan Commission Meeting

A special meeting of the Pleasant Prairie Village Board was held on Monday, November 14, 2011. Meeting called to order at 6:15 p.m. Present were Village Board members John Steinbrink, 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, Community Development Director; Doug McElmury, Interim Fire and Rescue Chief; Brian Wagner, Police Chief; John Steinbrink Jr., Public Works Director; Ruth Otto, IT Director; Carol Willke, HR Director; Mike Spence, Village Engineer and Jane Romanowski, Village Clerk. Three citizens attended the meeting.

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. PUBLIC HEARING

A, Proposed 2012 General Fund, Tax Increment Districts & Special Revenue Budgets

- 1) Citizen Comments.**
- 2) Closing of Budget Hearing.**
- 3) Board of Trustee Comments.**
- 4) Resolution #11-35 relating to Adoption of 2012 Budget and Property Tax Levy including Capital, Debt Service and other funds of the Village budget.**

Mike Pollocoff:

Mr. President, before we start the hearing I'd like to have Kathy present some summaries of the budget. The budget has been advertised, it's been available at the Village Hall for review and on line. So, with that, Kathy, if you want to give us the executive summary.

Kathy Goessl:

Up above is the org chart for the Village and we are going to go over the blue shaded boxes which include our general government which has three operating sections, operating, capital and debt service. We're also going to review tax incremental districts, debt service and capital improvements and special revenue funds. We're still working on the green labeled ones which is basically our utilities and our Rec Center.

I'll start out with general government, and section 1 is operating. This is a summary of the budget. It's very similar to what you saw three weeks ago. Overall it didn't change except for a

Village Board Meeting
November 14, 2011

couple minor changes. First of all, IT capital requests that were under \$5,000 were moved from capital to minor equipment and operating. That's because we're raising the capital limit, or we did already raise the capital limit January 1st to \$5,000. And then I also trued up the calculation for exempt computer aid which added another \$567 in revenue. Then I moved the tax levy from capital to over the operating change which were just mentioned above. So revenue overall is up \$798,000. Property tax - there's a large increase of \$1.6 million, but that's because we moved the road aids to capital, and in exchange for that we moved the tax levy to the general government operating. And then also we moved money from the capital into general government operating to cover the new program request to add seven new firefighters.

Other revenue is down, and that's because of a decrease in State aid for roads and also to transfer the road aids to the capital project fund. Then we have new programs or revenue enhancements which are increases in some fees in CD, engineering, fire and rescue and inspection. And additions of new fees of life safety inspection and low voltage sign permit fees. These fees were being recommended because they are activities that are time consuming and required by the State. So overall our revenue as you can see above increases a little less than \$800,000.

Expenses overall are up \$400,000. The majority is a new program for four in the station which will require seven new full-time firemedics at a cost of a little less than \$540,000, offset, as you can see in Public Works, a reduction, and mainly that reduction in Public Works is due to purchasing less salt. We currently have a full salt shed, and so therefore we're recommending purchasing less salt for next year.

We're recommending, as you can see in the blue shaded column, we're recommending a balanced budget where revenue is equal to expenses. Last year we actually were recommending using some fund balance to balance our budget but as estimates are coming in for this year we're looking at pretty close to a balanced budget this year. So this is a summary of the general government operating.

I'll briefly go over the operating revenues and operating expenses. Here's a chart showing the different sources of revenue. Our biggest source of revenue, as you can see, is property tax which, again, is up \$1.6 million, and I explained the reason before concerning road aids and the new program request for firemedics. Intergovernment is down \$1 million from just over \$3 million to just over \$2 million, and that's mainly due to the road grant being transferred to the capital project fund.

Licenses and permits is our smallest revenue source. It's up \$74,000 mainly due to building permits. Other taxes including mobile home taxes, utility tax from our water utility and also property tax penalties and hotel and motel taxes. They're up \$92,000 because of the increase in the utility tax paid by our water utility. Public charges for services is down \$70,000. It's basically down across all areas except for franchise fees which are up \$30,000 and other minor fees up \$12,000. And the other category which includes Municipal Court revenue, interest income, assessing contracts, the school liaison officer and tower leases is up slightly by \$7,000. So these are our sources of revenue and the change from 2011 to 2012.

Village Board Meeting
November 14, 2011

This is basically the same information but in a chart format. You can see the changes on the right with property tax up, intergovernment revenue down and the rest of them changed but not as great a deal as the first two lines for an overall increase of a little less than \$800,000.

The next area is operating expenses. This is a chart format showing the change from the 2011 budget to our 2012 proposed. Public safety includes Police, Fire and Rescue, Dispatch and Inspection Department. When you compare them they are very level to last year. Public Works is down. This includes engineering, streets, street lighting. It's down \$142,000 almost mainly due to the reduction in salt purchases from \$234,000 down to \$160,000, a decrease of \$74,000 as salt.

General government includes the Village Board, Municipal Court, Administration, HR, IT, Finance, Assessing and the Village Hall. There's an increase there, and the main reason for this increase is due to the number of elections for 2012, and also the increased cost because of the changes in the election process by the State of Wisconsin. CD is down \$12,000. Parks is down also \$32,000, and that one is mainly due to the reduction in contractual services, mainly the emerald ash borer spraying which we were able to reduce by \$37,000 once we got the contract.

New programs - the biggest new programs, there's two of them - the one I have already mentioned is four in the station or hiring seven firemedics for around \$540,000, and an increase in dispatching staff from part time to full time and sharing with a community or two in the County. Program reductions is mainly a reduction in maintenance contracts for our less critical pieces of Cisco equipment. Overall we're looking at an increase of \$400,000. Again, the main increase is due to the firemedics.

So that was the operating section of our general government. Now I will briefly go over the capital fund. This is a summary of the capital fund. You can see we start out with a tax levy. You can see the big decrease there. That's mainly due to the transfer of funds, almost \$1.5 million to the operating. And I explained that transfer back and forth before in the operating section.

Grants is, again, the transfer of road aids to the capital project fund from general government operating and also the Prairie Farms Trail improvement grant for \$45,000. Impact fees - we're looking at an increase of collecting more impact fees with some recovery in the economy. Hopefully we're looking at more activity in that area. Other includes interest income and the sale of our police vehicles that we sell on a regular basis. So total revenue is down \$695,000, again, mainly because we are transferring funds to general government to help with the firemedics.

Capital outlay is actually down also. It totals almost \$1.8 million down from 2011. The major projects in that area that are over \$100,000 which include in total - \$1.8 million is the total, and the major projects in this area are the Prairie Farms Trail improvement for \$100,000, Police Department expansion and remodel for \$427,000. That project will be using impact fees that we've collected in the past. Police Department vehicle replacement \$130,000, and road maintenance for \$600,000 and then we borrowed money last year but we do not plan on borrowing any money for 2012. You can see the next change here is we'll be spending a little bit

Village Board Meeting
November 14, 2011

more money than we actually are bringing in for 2012 using part of the fund balance remaining from the end of 2011.

So now to the third and final component of general government and that's debt service. The same type of chart I had on the previous slide for capital is a comparison of the 2011 budget to the 2012 proposed. This fund doesn't have too much activity going on in terms of change compared to the two years. The tax levy is down slightly. Basically we balance this budget as a net. Our debt is going down, therefore the requirements are going down for this fund. So tax levy is down \$43,000. Special assessments - we're looking at collecting a little bit less than we did the year before. Interest income is down slightly for a total reduction in this fund for revenue of a little less than \$92,000. And that reflects the reduction in principle and interest payments that this fund has of \$92,000 also for a balanced budget in this fund with revenue equally expenses.

This is our total summary of all three of those areas, our operating, debt and capital. You can see property taxes and how they're divided between the three areas, and our total property tax levy would be a little over \$9 million. Other revenue sources are going to total a little more than \$6.3 million, and our expenses are looking a little bit less than \$16 million and you can see operating being the majority of those expenses and debt and capital splitting equally pretty much \$1.7 million. Both operating and debt are balanced budgets with revenues equaling expenditures, whereas capital we are using some of the fund balance left remaining from 2011 to purchase some more capital for 2012 without borrowing on any of the areas here for 2012.

You can see the fund balances down at the bottom. We are still maintaining our required 15 percent balance in our operating giving us a little leeway for the future, and debt there's no unreserved. Basically everything in the debt fund is meant for debt, and capital has a little bit of money left over to carry forward to 2013 for any overages we may have hopefully for 2011, not have in 2012. So overall all these funds we have a reserve of about 21 percent for future uncertainties.

How does this affect our property tax bill for the Village residents? These are estimates because we do not have our final assessed value. We're still missing manufacturing from the State. So this is based on the estimated manufacturing value and actual local tax assessment values. We're also missing the piece for Kenosha County so I estimated a small increase in their tax levy. Kenosha Unified, all the rest of the tax entities have submitted levy sheets to me already except for Kenosha County.

So Kenosha Unified is going up, everybody is going up slightly except for Gateway which are pretty level or going down slightly around or equal to what they were last year. So you can see everybody's really tight, not many increases. For us we're looking at a two cent increase in the levy or the mill rate. Here's a comparison of our trending over the years. As assessed value goes up you can see the levy mill rate actually going down. This year we have an estimated assessed value in billions of dollars of \$2.64 billion, where our Village mill rate is looking at 4.01.

Onto the next section which is our tax increment districts. This is a comparison of the 2011 budget, and I also added a column here for the estimate. The tax increment district is very – depending on what happens with the economy, depends on what happens with developers and

Village Board Meeting
November 14, 2011

what's happening, you can see the estimate differs from the actual 2011 budget. And the 2012 budget was a little difficult also to budget for, but we did our best guess estimate in terms of what we're going to look at. So property tax increments is also an estimate because we don't have our final numbers, but this should be pretty close to what we're looking at, so the increment is going up a little more than \$287,000.

Land sales is actually the State buying the frontage roads from the Village, and they were on an installment plan. Our budget was \$1,600, but they actually paid 2012 early, so that's why we actually received double what we initially anticipated. And for 2012 they are done paying for the frontage road so we're anticipating no revenue from that source.

Southwest Innovation Center - we were planning on a \$2 million start with the grant in 2011. That project has been put on hold so we are estimating zero, and we have estimated zero for 2012 at this point.

Other revenue sources here are going up. It's a little bit involved here in terms of the estimate as well as 2012 we're looking at an increase there. Other revenue includes interest income and special assessment revenue. Capital improvements you can see we budgeted for more to happen in this district than actually what has happened. We budgeted a little less than \$5.5 million, and actually we are barely looking at less than \$750,000 that we spent so far in this district for this year. We're proposing \$2.2 million. That's our best guess at this point.

Then debt service-wise these are pretty good numbers because we actually have schedules for these. We did budget \$9.2 million, a little over, and we did make that service payment for that amount. For 2012 the debt service scheduled have a little over \$10 million worth of debt service payments, so that's increasing slightly a little over \$700,000.

Then for bond proceeds we did borrow some money last year, or we were planning on borrowing some money for 2011 but we did not borrow any money this year in this fund because our capital improvement plans went down from a little over \$5 million down to \$700,000. We didn't need the money and then we're proposing not to borrow anything for next year based on what our anticipated capital improvement plan will be.

At this point we're looking at ending with a smaller fund balance than we're currently at. Right now we're at a little over \$5 million in fund balance based on the money we've borrowed, ending a little bit less than that based on what we're going to spend and bring in. So this is Tax Incremental District #2.

We also have District #2 which is down on Springbrook and 91st on the corner there and this project is basically the vacant lot which has a very small tax increment district amount. And it's just whatever we bring in we pay back out to Steve Mills.

And the final area here we're looking at is special revenue funds. We have four special revenue funds - Fire and Rescue, Police, federally forfeited funds and veteran's memorial. Revenue is mainly donation except for the federally forfeited which is the sharing of federal funds which we're not planning on anything for that this year except for this is actually interest of \$30, and

Village Board Meeting
November 14, 2011

expenses is mainly minor equipment, and also in our police fund we support our police dog with those funds.

So those are the review of all of our different areas we're looking for approval tonight for. It's general government operating, debt and capital, our TID districts and also our special revenue funds. So if anybody has any questions for me.

John Steinbrink:

Any questions? Nothing? This being a public hearing I will open it up to public comments and question. We ask that you use the microphone and give us your name and address for the record.

Jane Romanowski:

We did have a signup, Michael Hautzinger.

Michael Hautzinger:

Michael Hautzinger, 8052 East Ridge Drive, Pleasant Prairie. I've been a resident here for a little over ten years. I've given you a prepared statement. I'll just read it for you. As a homeowner in the Village of Pleasant Prairie I rise in favor of adding additional firefighter paramedics to the Pleasant Prairie Fire and Rescue Department. If an emergency were to happen with my family involved in my home or anywhere else in the Village, I'd like to see fully staffed emergency vehicles arrive on the scene as quickly and safely as possible. Further, I'd like them to arrive in sufficient numbers so that they can immediately work effectively and safety. I'd like to see that all personnel on these apparatus are cross-trained firefighter paramedics.

I've read in the newspaper of the acting Chief's preliminary vision for the Pleasant Prairie Fire and Rescue Department, and it seems to me that he's seeking to move forward in a good direction. I'd like to see the Village hire the best educated and most qualified candidates for the new positions, and I hope to see all needed promotions come from within the department. I do understand that there are immediate and long-term costs for the additional Village personnel. I consider this cost very inexpensive insurance for the protection of my family and my home. Thank you.

John Steinbrink:

Thank you. Anyone else wishing to speak? Anyone else wishing to speak? If not, I'll close the public hearing and open it up to Board of Trustee comments? Michael?

Michael Serpe:

Again, my compliments to Kathy, Mike and the staff for putting together a budget that's very frugal, very reasonable and very workable. But the credit goes, again, to the personnel that run this Village, the personnel that work for this Village. To keep on supplying the services that all the residents enjoy with all the cuts that we have experienced in the last couple years, laying off

Village Board Meeting
November 14, 2011

personnel, eliminating positions, and then still providing services, I don't think the citizens of this Village have even noticed the drop in any services that we provide and that's a credit to the people that work in this Village. Technology has helped immensely with what we're doing as far as our payments in the utility department being direct deposited, our newsletter keeping people informed at what they can do and what they can't do. It's just a well-oiled machine as I see it and for \$4.01 a thousand I think the people of this Village are getting their money's worth and I support this budget.

John Steinbrink:

Clyde?

Clyde Allen:

Thank you. I'm not going to say everything you just said, Mike, because I agree with everything. I'm going to mention about the debt service has gone down drastically in the last seven years. Our bond rating with Standard & Poors and Moody's - we've maintained a high bond rating through this touch economic time. I not only want to thank Mike and the staff and our Department Heads, but I want to stress what Mike has said again it's the Village employees. Without you as partnering up with us we couldn't make this work like we did. So thank you and I will support this budget.

John Steinbrink:

Steve?

Steve Kumorkiewicz:

There's not too much to add to what Mike and Clyde said. He's right that we have a very good organized Village. Everybody works together as a team from the Village to the last person and lowest seniority in the Village. They all work together for the good of the Village and the dedication of the staff is admirable. It's got to be admired because they are working within parameters. They are staying to it and they do it. Actually the expectations have always been high and they always do it just right. I don't feel that we can do any better than what is done right now. So, Mike, Kathy and everybody involved they are the ones who come out with the numbers and just excellent.

John Steinbrink:

I just want to thank the staff also. I think probably when you're done with this one you start next year's budget already. It's a never ending process, and that's the reason our budgets always work out. The fact that you're monitoring what the economy is doing, what the needs of the Village are, shifting priorities as we see them. Of course, we're all hoping for a light winter with not much snow. That's not the prediction, but we always come through and do the right thing and make sure the roads are open.

Village Board Meeting
November 14, 2011

I want to especially commend you for putting forward a budget that comes out, especially when the State of Wisconsin balanced their budget on the backs of the Village, the cities, the counties by not paying their bills. We pay our bills. Our workers make the sacrifice in order to make our balanced budgets come true. But I don't want to give much hurrah to the State because, like I said, they balanced their budget on the backs of us. We're the people that didn't get the shared revenue, the road aids, everything we should have got for the monies we send to the State of Wisconsin. So in the end the taxpayers are really the ones who are shortchanged and we make up the difference. Whether it's the simplest things as mowing the medians of the highways so that our Village looks presentable so that we can keep attracting businesses here to keep the economy going.

I hear it often in Madison the word is government doesn't create jobs. We may not create the jobs, but we create the environment for the jobs. It's the infrastructure we put forward, the education system, the highways and the work we do here that people look at and say this is a good place to come and locate our business. So when they say government doesn't create jobs, without government that wouldn't happen. Maybe not so much on the State end but on the local end where we have the direct contact with the employers coming in and looking for a place to locate their business and their employees looking for a quality of life, everything we offer here.

A lot of people come in for the first time, they visit the RecPlex or other facilities here and that's usually the first look at the Village they get. They're impressed. When they dig deeper they're even more impressed by the fact that what we do for the money they have to pay out in taxes here, what their benefit is, I think we're the envy of a lot of areas. But it's not been without sacrifice and, once again, that falls on the back of employees. We constantly ask them to do more for less, and they've met that challenges.

So I hope people understand and really appreciate the sacrifice of the men and women who run this Village and the job they do because that's what makes the Village great and that's what makes the quality of life here. People enjoy living here. They enjoy the services. Everything from the simplest thing as leaf pickup to garbage pickup. All the service we do that are basically flawless and happen every day, every week without anybody really giving a second thought to it. It happens, it's done right and it's done by our employees. Everybody talks about privatizing. That's been tried in areas but it doesn't work out. And pretty soon you find out that cost goes up, the quality of service is less. So I want to once again comment you for this budget and the workers for the job they do, the employees, because they make it look easy, they make us look good, but they do the hard work and we appreciate that. It's a good budget.

Monica Yuhas:

I would like to comment. I spend a lot of time in departments throughout the year, and I work with Department Heads and I work with employee and I see the ingenuity and creativity that goes on in these departments. This budget process is a year long process, and by the time it gets to us it's been scrubbed many times, and we're given a product and we discuss it. Just to touch on what President Steinbrink said, it is the employees. When I'm out there down a wet well or I'm out there in the public doing things, residents will come up and say it's amazing that the Village does everything and maintains the low tax rate and they're appreciative of that.

Village Board Meeting
November 14, 2011

If you're out there they know what's going on, residents know and there's a standard that's been expected and we're able to maintain that or exceed it, and that's due to the employees doing more with less. As a Board member I appreciate that greatly. I appreciate the ingenuity that goes into all the thinking that goes on with each department, because you do make us look good. And when we were at the conference back in October, when you hear what's going on in other villages and other cities and other municipalities, it's not good. I see what we have here and everyone is doing a phenomenal job and I thank you for that.

Clyde Allen:

Just one more thing. Thanks, Monica, that was well said. I guess I've been wanting to say this for quite a while and not sure when to say it and how to say it so I'm just going to say it. In that, John, thank you, I've learned a great deal from you. You've really been great, great at giving us input as to what goes on in Madison like having our own special person right here in Madison right here on the Board with us. That really helps us tremendously and thank you.

Michael Serpe:

Looking for a motion?

John Steinbrink:

That would be item 4.

Michael Serpe:

I move to approve Resolution 1-35.

Clyde Allen:

Second.

John Steinbrink:

Motion by Mike, second by Clyde for adoption of Resolution 11-35. This is relating to adoption of the 2012 budget and property tax levy including capital, debt service and other funds of the Village budget. Any further discussion on this motion?

SERPE MOVED TO ADOPT RESOLUTION #11-35 RELATING TO ADOPTION OF 2012 BUDGET AND PROPERTY TAX LEVY INCLUDING CAPITAL, DEBT SERVICE AND OTHER FUNDS OF THE VILLAGE BUDGET; SECONDED BY ALLEN; MOTION CARRIED 5-0.

Village Board Meeting
November 14, 2011

Michael Serpe:

Mike, once again thanks for your leadership.

Mike Pollocoff:

I have good direction and I have an excellent staff.

5. ADJOURNMENT

**SERPE MOVED TO ADJOURN THE MEETING; SECONDED BY KUMORKIEWICZ;
MOTION CARRIED 5-0 AND MEETING ADJOURNED AT 6:45 P.M.**