

**VILLAGE OF WESTON  
JOINT MEETING OF THE VILLAGE BOARD & FINANCE COMMITTEE  
2011 – 2012 OPERATING BUDGET WORKSHOP MINUTES**

**MONDAY, NOVEMBER 1, 2010**

**Finance Committee Members**

**Present:** Chairman Ermeling, Trustee Jaeger, Bender, Yaeger, Administrator Zuleger, Finance Director Jacobs, and Deputy Finance Director Trautman

**Village Board Members Present:** President Schuster, Trustee Maloney, Trustee Schmutzler, Trustee Ziegler, Trustee White, Trustee Ermeling, and Trustee Jaeger

**Department Managers Present:** Director of Public Works Donner, Community Development Director Higgins, Information Technology Director Crowe, Police Chief Sparks, Fire Chief Meilahn, Parks Superintendent Osterbrink

**Department Managers Excused:** Village Clerk Weinkauf

**Committee Members Excused:** Sukup

**I. CALL TO ORDER**

Village President Schuster and Finance Committee Chairman Ermeling called the meeting to order at 6:48 p.m.

**II. ROLL CALL**

Ermeling noted that Jaeger, Bender, and Yaeger were present from the Finance Committee. Jacobs mentioned that Sukup was excused. Schuster noted that Maloney, Schmutzler, Ziegler, White, Ermeling, and Jaeger were present from the Village Board.

**III. OVERVIEW OF 2011 OPERATING BUDGET (and 2012 FINANCIAL PLAN)**

**IV. OVERVIEW OF GENERAL FUND BUDGET**

**V. REVIEW OF OTHER FUND BUDGETS**

Zuleger gave an overview of the 2011 Operating Budget. A copy of his 2011 budget memorandum was distributed. Zuleger reviewed the detailed points in his budget memo. He indicated that this 2011 budget would recommend a "no levy rate increase" for the third year in a row, which would freeze the Village's tax rate at \$5.08. Part of the reason for keeping the Village's assessed tax rate at \$5.08 was due to the recently passed equalized tax rate of the DC Everest School District which increased by 55-cents. Zuleger provided background on the State of Wisconsin's negative economic adjustment of -3.35% for 2010 and how that impacted the proposed 2011 budget and 2010 tax levy. He discussed the real estate bubble that has occurred dating back to the Village's 2007 revaluation of property to 100% and how the State of Wisconsin has reduced the Village's equalized valuation for two consecutive years, while the assessed valuation of the Village has continued to grow. He reported that the Village's 2010 assessment ratio (assessed valuation divided by equalized valuation) would be 105.82 or 5.82% above the fair market value as calculated by the State of Wisconsin. The 2011 budget has been constructed to keep the tax rate stable (flat) for the third consecutive year as an offset to the high assessment ratio, rather than raising the tax rate to the allowable level set forth by the state (a potential 6.9% increase over the last two years), said Zuleger.

He continued with the approach towards "lean government" for the 2011 Operating Budget by reducing staff by one FTE, dropping our workforce to 46 employees or one of the lowest per capita workforces for a community of our size in Wisconsin. Zuleger recognized other budget strategies of sharing our building inspection services with other governments, cross-utilization of Park & DPW crew in street operations, a reduction of time and materials due to a change in winter maintenance philosophy, and steady state staffing in police and fire operations despite an increased demand. He highlighted other strategic partnerships with organizations that the Village has to keep overhead and capital costs manageable. He reminded the Village Board that we continue to buy used/previously owned equipment and retrofit it to our specific needs as a means of reducing capital outlay expenses by almost 20%.

Zuleger explained how the employee health insurance increase for the 2011 budget arrived at a 2.63% increase (which is approximately 1% lower than the Consumer Price Index) due to, in no large part, an agreement among all employee groups to an adjustment in health insurance benefits that reduced the premium increase from 8.89% to 2.63%. In addition, he said that all employee groups agreed to continue to study ways to reduce the cost of health insurance throughout 2011. He reminded the Board that the Village of Weston employees pay the highest share of health insurance premium of any government employee group in Marathon County.

Zuleger discussed why it was now a "Rainy Day" because of the continued slow economy and high unemployment levels in the area. He said that as the 2011 budget reached final construction, the Village Staff managed to create an operational plan that was \$15,000 short of balanced assuming a \$5.08 / \$1,000 tax rate. After the \$50,000 contingency reserve fund was added to the budget to offset the unexpected needs of the year (ex. blown transmissions, heavier than average snowfall, etc.), the need from the "Rainy Day" Fund was now \$65,000. Based on the aforementioned economic conditions and the fact that the Village's undesignated fund balance had exceeded its top rate of 33% of annual operating needs, Zuleger said that he and the Finance Department decided to apply \$65,000 of the "Rainy Day" Fund to achieve a 2011 balanced budget for the Village's General Fund. This minor reduction in the "Rainy Day" Fund would reduce the balance from \$2,540,433 to \$2,477,335 (or 32.03% of annual operating needs). He added that the use of the rainy day fund was communicated to Moody's Investor Service last week (during the Village's rating call to them for the 2010 G.O. Refunding Bond Issue), and this use of the rainy day fund for the 2011 budget did not affect the Village's "Aa2" bond rating due to a higher than average undesignated fund balance and strong fiscal management. Zuleger pointed out that the Village has not used some of the fail safe methods used by other local communities, such as shifting the public fire protection costs from the tax rate/tax bill to the utility bill or using the debt service exemption, to fill budget shortfalls.

In his introductory comments on the 2011 CIP (Capital Improvements Program) Budget, Zuleger briefly discussed two high profile infrastructure projects (Schofield Avenue widening and the STH 29 Pedestrian Bridge) that provide \$2,270,000 in state/federal grants. In addition, he mentioned the two major pieces of equipment that are included in the CIP Budget (new ambulance = \$230,000 and replacement sewer vacuum truck = \$380,000). The partnership with the Village of Rothschild was also mentioned for the resurfacing of Alderson Street. The Village's Water and Sewer Utilities would also take advantage of Marathon County's widening of Camp Phillips Road in 2011 to extend water and sewer lines for future use, as well as purchase land for an additional municipal well.

Even though the Village has a number of CIP projects forecast for 2012, Zuleger anticipates that the Village would not borrow in 2012 to continue the "load-rest" theory of capital improvement and debt service affordability.

Jacobs stated that the estimated combined tax rate for the Village of Weston for the December 2010 tax bills would be \$20.26, which would be a decrease of 16-cents from last year's rate of \$20.42. He said this was still an estimate yet, due to all of the taxing jurisdictions have not yet adopted their 2010 tax rates, and the State has not yet released the State School Tax Credit information to date.

Jacobs identified the components of the proposed \$4,421,650 tax levy (and thereby the \$5.08 proposed tax rate), which includes the General Fund (\$2,861,650), the Debt Service Fund (\$1,550,000), and the Business Economic Development Grant Fund (\$10,000). He also referred to the estimated tax rate calculation for the following year 2012 Budget / 2011 Tax Rate based on present assumptions which could be an increase of 14-cents to a tax rate of \$5.22. The Village will be able to refine the 2012 Budget calculations once the State of Wisconsin has released its preliminary 2011-2013 biennium budget in early 2011, said Jacobs.

Jacobs informed the Board that the Village could have increased its December 2010 tax rate up to \$5.12 per the State's tax levy limit laws, but has only proposed a \$5.08 tax rate. Also, the Village could have increased its General Fund expenditures by 3.90% for 2011 per the State's expenditure limit, but the Village has managed to recommend a 2011 budget with only a 2.03% increase. Jacobs said that both of these facts will be communicated to the Village's taxpayers, in order that they understand that the Village is attempting to manage taxpayer affordability during these difficult economic times.

Jacobs reviewed the major increases and decreases in the General Fund expenditures and revenues for 2011 as compared to the previous year. The 2011 General Fund Budget is proposed at \$7,735,360 which is an increase of \$154,210 (or a 2.03% increase) from last year. Jacobs reported that \$90,000 of the estimated 2010 budget surplus (out of \$91,260) was applied to the proposed funding for the 2011 Budget.

In addition to the freeze in the \$5.08 tax rate, Jacobs reported that the 2011 garbage charges appearing on the December 2010 tax bills would be slightly lower than last year's prices.

The three Utility Funds of the Village (for the Water, Sewer, and Stormwater Funds) were briefly discussed to identify the 1-year interfund loan for the Stormwater Utility in 2011 and to mention the increased costs passed on from the Rib Mountain Metro Sewerage District into the Village's Sewer Utility. DPW Director Donner will follow-up with the RMMSD on their calculations for the Village's allocated costs.

**VI. REVIEW OF 2011 CIP BUDGET – Capital Projects Funds/Enterprise Funds**

Zuleger/Jacobs reviewed the 2011 CIP Budget summaries on pages 168 through 179. The total recommended 2011 CIP Budget is \$9,735,600. The sources of funding for the 2011 CIP Budget were identified. Jacobs said that the Village Staff is working with Ehlers in accelerating the 2011 CIP Budget capital borrowing program into December 2010, in order to take advantage of the Build America Bonds (BAB's) program in 2010 before the Federal law is changed or eliminated entirely. The Village stands to receive a 35% interest rebate annually, if the Village enrolls the taxable general obligation issue into the BAB's program before the end of 2010. Jacobs informed the Board that the estimated issuance size for the general obligation issue would be \$5,375,000. He reviewed the financing timetable that would occur in November-December 2010 to issue the bonds and take custody of the note proceeds by December 31, 2010.

**VII. SUPPLEMENTAL INFORMATION**

No other information was discussed.

**VIII. SET BUDGET PUBLIC HEARING DATE – Monday, November 29, 2010, 6:00 P.M.**

**IX. ADJOURN**

*\*M/S/P Maloney/White: To adjourn the Village Board meeting at 7:55 PM.*

*\*M/S/P Bender/Yaeger: To adjourn the Finance Committee meeting at 7:55 PM.*

Respectfully Submitted,



John Jacobs  
Finance Director/Treasurer  
Recording Secretary