

MINUTES
TOWN OF SALEM
FISCAL YEAR 2012 BUDGET WORKSHOP OF THE BOARD OF SUPERVISORS
TUESDAY, OCTOBER 4, 2011 6:00 PM

Chairman Diann Tesar called the meeting to order at 6:00 p.m. Supervisors present were: Dennis Faber, Dan Campion, and Pat O'Connell arriving at 6:03 p.m. Staff present were: Administrator, Pat Casey, Mike Murdock, Chief Mike Slover, Christine Lamb, Jack Rowland, Brad Zautcke, and Crysti Neuman. Guests present were: Steve Brown, Mike Ullstrup, John Roberts, and Gail Peckler-Dziki.

Administrator Casey presented an overview of the proposed budget. The tax levy is proposed to increase 1.24% or \$42,400. This increase will be intended to fund road improvements. Keeping our roads in average condition, we should be bonding \$500,000 per year. None of the increase will go towards operational expenses.

There is a net loss of General Fund Revenue in the FY2012 Budget of \$24,451. Decreases in revenue are attributed to State of Wisconsin Budget process and poor economy. Following are the losses in revenue.

- A decrease in state shared revenue of \$36,589
- A loss of building permits revenue of \$33,000
- A decrease in planning and zoning fees of \$5,100
- Loss of investment revenue of \$7,000
- A decrease in recycling grant revenue of \$5,700

Increases that are expected are as follows:

- An increase of \$22,069 in Highway Aids
- An increase in EMS charges of \$7000
- An increase of \$18,019 due to new fire service contract with Paddock Lake
- An increase in traffic fines of \$6,000
- An increase of \$10,000 cash rebate from the Town's P-Card purchasing program.

An overall increase of \$8712 for General Funds expenditures. Expenditure changes are as follows:

- An operating cost decrease of \$19,970 due to changes in Wisconsin Retirement System and the offsetting of salary adjustments
 - Increase of \$14,000 for the State of Wisconsin Unemployment payments
 - Decrease of \$10,000 change in maintenance of Community Park
 - Expected increase in the Garbage and Recycling collection cost of \$30,000. (Mr. Casey said this will be going out for bid yet this fall)
 - Increase of \$5,500 for animal services through Safe Harbor Humane Society
- \$345,339 in surplus funds will be used to balance the 2012 General Fund.

Under the Capital Fund- the increase of \$42,400 will be used to increase the Town's road paving program. Fire Department will be applying for grant. The \$70,200 is the amount they applied for in this year. No major equipment purchases are planned for out of Capital this year- however new pickups with plows have been budgeted to both the Storm and Utility Fund.

Utility Fund shows a decrease in expenditures of \$59,573. A new engineer was hired and in 2012 a long term system wide plan will be done to provide the needs of the Utility both operationally and for Capital

purposes. This will give a plan for the next ten years and help to outline the rates that may be necessary to support any changes.

The Storm Water sees a decrease of \$54,442 in revenues. Primarily this is due to property owners combining parcels and the Town is not budgeting payment of fees for State or County property. The retention pond on 264th Ave is the major project for 2012. Expenditures decreased by \$111,149. Parks will decrease revenues by \$2400 and expenditures by \$28,000. The development of the community park being complete is the main reason. The Park Board is looking to gather community input and create a master plan for the newly purchased Marchuk property and develop means to fundraise and budget for improvements.

Supervisor Campion would like to see figures for where we are at through 3rd quarter. Treasurer Lamb is in the process of finishing up the end of the month financials for September and will have 3rd quarter information to the Board at their regular meeting next Monday, October 10th. The next budget workshop will provide that comparison as well as an estimated year end.

Supervisor O'Connell commented that our road improvements went from \$308,000 to \$130,000. This small increase will help. Administrator Casey indicated that incrementally we need to do this to get back to where we need to be. We also need to start looking at doing this for equipment replacement. Mike Murdock, Public Works Supervisor explained that all roads in the Town of Salem have to be evaluated every two years and receive a rating on their condition, on a scale from 1-10, with 10 being the best condition. Ideally the roads should be at least a 6. Most of the Town's roads are at a 3 or 4. He will be happy to supply the report to the supervisors.

Chairman Tesar asked about the training figures for the Fire budget. The training budget this year combines all departments this year instead of being separate line items.

Chairman Tesar and Supervisor Campion asked about figures for the IT. IT has been removed from the Fire Department budget and moved to one line item under the Town as all monies come from the General Fund.

Supervisor Campion asked about the lease payments made to the fire associations. These payments are used to support services of the Town of Salem Fire/Rescue Departments. Purchases are made for uniforms, equipment and other needs of the departments. They are not lease payments for buildings. These payments were part of the agreement and will continue to be unless the board decides to make a different policy decision. This is just how they have been recorded. The category name will be looked at to be changed for a clearer understanding. Gail Peckler-Dziki, 29920-102nd St. asked, " If it would be inappropriate to ask how the money is spent that is given to the associations?" Supervisor Faber remembered seeing documentation for educational material that these associations provided for. Casey reminded the board that our Fire/Rescue Department is mostly run by volunteers and that these associations do provide for supplies and they provide a great community interaction. Supervisor, O'Connell believes that the Town needs to show continued support for our Fire/Rescue Departments and keep some of the flexibility for the associations. Supervisor Campion appreciates the continued

Community Support that our Departments provide. They were a great presence at the October Fest celebration this past weekend.

Supervisor O'Connell questioned if we look into bidding out for assessor. There is not a problem with our current assessor- just would it be in our interest to look into it. Casey will look into it. Supervisor Campion suggested that we make sure we look at someone who is offering us the same service or better. Administrator Casey indicated that the charge for assessor is \$19.80 per parcel.

The attorney's will be upping there fee by \$10 in 2012 per Diann Tesar. It is still 30% less than other attorneys.

Chairman Tesar asked about Auditor Frechette. He still has 1 or 2 years left on contract. This will be looked into.

Clerk Cindi Ernest submitted request for \$13,000 for a PT Deputy Clerk and an additional \$13,000 for rental of voting machines for the elections in 2012. Administrator Casey will come back with some different scenarios. The plan is still to outsource payroll and that will free up time. Mr. Steve Brown, 8734-245th Ave. asked, " Is that request with regards to the Deputy Clerk in addition to the 5.5% increase to the Clerk's salary and would that position be year round?" Tesar said yes that would be to the current request.

Administrator Casey addressed the 5.5% increase to non-represented employees. In 2012, the Town will be using Wisconsin Retirement System for all employees. We have withdrawn from Central States Pension. The new state law requires that 11.8% payment to retirement is required through WRS. The Town will pay 5.95% and the employee will pay 5.95 %. The Town was paying 10% of each non-represented employees' salary for retirement. The Town was paying approximately \$10,000 per represented employees. Non- represented employees have not seen a wage increase in 3 years. The Town is still seeing a net savings of \$20,000. The 5.5% increase will help to make the employee whole. WRS is a sound and well trusted pension fund and will become beneficial to all employees in the future. Concerns about the viability of Central States Pension prompted this move. Central States has an 18 billion dollar shortfall at this time.

John Robert's, 8214-216th Ave, asked if we have to do a buyout of say \$1,000,000 would that have to be paid out all at once." Administrator Casey said there are a number of different ways that this could be addressed. We are getting out of Central States to minimize the risk and save money for the Town of Salem as well as protecting our employees in the long run.

Mr. Brown asked about the 140% increase in the unemployment and how that plays into the 5.5% increase. Administrator Casey explained that is a conservative figure but it has nothing to do with the 5.5% increase. The State Pool is charging the Town and all employers more as more and more claims are coming in and they are going farther and farther back into employee's workplaces to seek claims. Mr. Brown would like this to be kept in mind when looking at hiring an additional employee for Deputy Clerk.

The next budget workshop will be on Monday, October 17, 2011 at 6:00 PM. There have been 8 candidates that have applied for the open Supervisor seat and that opening will be discussed and put on the agenda for Monday's meeting.

Workshop adjourned at 7:28 on a motion by Supervisor Faber and seconded by Supervisor O'Connell.
Motion carried 4-0.

Respectfully prepared and submitted by

Crysti Neuman
Deputy Treasurer