

Town of Verona
Financial Sustainability Committee Minutes
Town of Verona Community Room, 7669 County Highway PD, Verona, WI
7/19/2018

Present: Laura Dreger, Douglas Wolf, and John Senseman

Absent: Julie Bass-DeVries and Bob Rego

Also Present: John Wright – Clerk-Treasurer and Amanda Arnold – Planner-Administrator

Call to Order, Approval of Agenda – Laura Dreger called the meeting to order at 9:00 AM. Senseman moved to approve the agenda; 2nd by Dreger. Motion carried.

Approve Minutes from June 14, 2018 – Motion by Senseman; 2nd by Wolf. Motion carried.

Review Preliminary 2019 Budget Figures for Operating and Capital Costs – Planner-Administrator Arnold referred those in attendance to the five-year budget projection she prepared that includes 2019 budget figures. She noted that the 2019 preliminary figures assume no transfers in from other accounts and assumes that all requests received to date will be funded; subsequently, the budget shortfall would be substantial. She wanted the members to be aware that Local Road Improvement Program funds for road reconstruction are only every other year, so 2019, 2021, and 2023 have a zero dollar amount for line 21. As agreed by this Committee, collection of a \$7 cart replacement fee will be eliminated, so line 55 has a zero value. Arnold noted that the transfer of \$50,000 from reserves to cover the purchase of the Case IH tractor this year is captured on line 46 of this year's budget. Clerk-Treasurer Wright reported that he has an estimated value for Net New Construction from the Town's contracted assessor and an estimated negative offset for annexations; based upon his preliminary calculation, the 2019 levy (line 63) can be increased by nearly \$26,000 over the prior year.

Arnold then referred those in attendance to line 79 for the increased capital EMS cost for the Town's proportionate share for a new ambulance. Line 83, it was noted, was rounded up to \$350,000 per year; this includes both maintenance and reconstruction costs when contracted through a paving company. Member Senseman asked Arnold about the status of the letter of credit that had been established with Capitol Bank. Arnold stated that there is an annual cost associated with maintaining the credit whether or not it is used, so she allowed it to lapse after the new building construction was repaid. Arnold noted that senior services are likely to increase by \$8,600 next year (line 114). The rate is based on the population that is eligible for services. There followed a brief discussion regarding those seniors who opt to pay for meals and classes at the senior center in the City of Verona; it was noted that the City does not subsidize meals for seniors. There is a projected increase to EMS Operating costs in 2019 of almost \$12,000, due mainly to new staff and contract negotiations. Arnold reported that the Town purchased a new tractor/traded in the old this year. The Public Works Committee is considering purchasing a new tandem axle snow plow in 2019 at an estimated cost of \$150,000 (this includes mounted equipment, but not the trade value of the 2007 Peterbilt). There followed a brief discussion regarding the replacement schedule for vehicles when Rose Johnson was Administrator of the Town and why this is no longer fiscally possible without substantial cuts elsewhere or substantial new revenues. \$40,000 was contributed to the capital equipment fund for Public Works in 2018, but the draft 2019 budget does not reflect that same contribution recommended by Public Works.

\$80,000 has been included in the draft 2019 budget for wages and benefits for a proposed Public Works Director. Arnold agreed to supply the group with an analysis of how much has been paid in the past for the Patrolman's overtime wages and the employment of snowplow drivers on an as-needed basis. Presumably, a second full-time Public Works employee could pick up many of those duties and the money allocated for those on-call employees subtracted from the Public Works budget. Wright noted that as the manager for the Town of Verona Utility District, he realistically spends more time running the District than the Town is compensated. He can analyze past timesheets to find the number of hours per year on average that he spends running the District and thereby recommend a more accurate number for the

2019 and future budgets; without objection. Member Senseman said that the Town Board should consider elimination of extra sheriff patrols so that the money can be used for other purposes. Other ideas that were discussed included the implementation/increase to user fees and application fees. Wright agreed to study the costs and income derived for sheriff patrols/municipal court. Arnold noted that she has instituted a new system for tracking staff time which she can present at a future meeting.

Update on Five-Year Financial Management Plan – Member Wolf reported that he built his spreadsheet over a three to four day period and incorporated some projections provided to him by Clerk-Treasurer Wright. He met with Planner-Administrator Arnold to provide his spreadsheet; Arnold noted that the order of accounts does not mirror that in QuickBooks, so some housekeeping will be required to streamline the process to carry future figures from one to the other. Member Senseman reported that an attendee at the July 18, 2018 presentation by Vierbicher Associates wanted the Town staff to assume three budgetary scenarios: one for low residential growth, medium growth, and a high rate of growth. There followed a brief discussion regarding the difficulties involved to achieve that request. Arnold turned the group's attention to the worksheet she provided when reviewing the 2019 budget above. Wright noted that a \$26,000 increase each year to the levy might be overly optimistic. Based upon new home permits issued in 2017 that were only partially completed by January 1, 2018 it would be reasonable to assume another \$26,000 increase to the levy for 2020. However, Wright thought more conservative increases should be assumed for 2021-2023 on a declining basis. Arnold noted that capital expenses for EMS alternates low to high every year; there followed a brief discussion whether it would be better to set aside the average of the two amounts each year so that the money is always available. Arnold reported that she met with the director of the Belleville Senior Center. The caseload for Town of Verona residents is the largest share of all municipalities who are participating, yet the Town of Verona is paying the least. Over the next five budget cycles, the proposed cost will rise from the current \$14,000 to approximately \$43,000 a year. The Town is free to pursue other options, but the service must be provided and will likely cost the same or more.

Arnold then referred those in attendance to line 123 for additional law enforcement. The Town of Madison will dissolve October 31, 2022, so the current Municipal Court would need to be reorganized or possibly abandoned. Future operating costs for EMS are unknown beyond 2019 (line 131), so Arnold carried forward the 2019 amount through 2023.

Review GovPayNet PowerPoint Presentation Regarding Electronic Payment Options – Clerk-Treasurer Wright presented those present with a summary of his notes he took when staff viewed a similar PowerPoint and were able to ask questions of a GovPayNet representative on speaker phone. As he projected PowerPoint slides, he pointed out several noteworthy facts. A table of the cost to customers to use the service was included in Wright's summary. After the presentation, Chair Dreger noted that she is generally supportive of the Town accepting electronic payments. Wright was instructed to contact Capitol Bank to see whether they may offer a similar service and to find out the rates they charge customers if they do; without objection.

Review Updated Costs of Town Hall Improvements – there are no new figures to review at this time.

Schedule Next Meeting and Agenda Items – the next meeting will be held on Thursday, August 23, 2018 at 8:00 AM. Items on the agenda will include:

- Call to Order, Approval of Agenda
- Approve Minutes from July 19, 2018
- Review Income and Expenses for Sheriff Patrols and Municipal Court
- Review Age Demographics and Eligibility for Senior Services
- Analysis of Clerk/Treasurer Time Running the Utility District
- Preliminary Analysis of Staff Time
- Review of Public Works Overtime and On-Call Employees
- Update on Five-Year Financial Management Plan
- Review Updated Costs of Town Hall Improvements if Available

Schedule Next Meeting and Agenda Items
Adjourn

Adjourn – Motion by Dreger; 2nd by Rego. Motion carried at 10:30 PM.

Approved: August 30, 2018

Prepared by: John Wright with Review by Amanda Arnold