Town of Verona
Financial Sustainability Minutes
Town of Verona Hall, 7669 County Highway PD, Verona, WI
9/13/2017

Present: Laura Dreger, John Senseman, Julie Bass-Devries (arrived at 2:43 PM), and Douglas Wolf
Absent: Bob Rego
Also Present: Amanda Arnold - Planner/Administrator, John Wright – Clerk/Treasurer

Call to Order, Approval of Agenda – Laura Dreger called the meeting to order at 2:30 PM. Senseman moved to approve the agenda; 2nd by Dreger. Motion carried.

Approve Minutes from August 3, 2017 – Motion by Senseman; 2nd by Wolf. Motion carried.

Continue 2018 Budget Review – Planner/Administrator Amanda Arnold reviewed a general handout for a budget preparation timeline for Wisconsin towns and villages. The Annual Budget Hearing is scheduled for November 21, 2017; the Board will need to approve the detailed proposed budget at their regular meeting on November 7, 2017. The agenda needs to be posted/published no fewer than 10 days and no more than 15 days prior to the Annual Budget Hearing. Arnold stated that Town Chair Mark Geller wants to hold a workshop for the Town Board, staff, and committee members for the purposes of future planning. Arnold and Geller are working towards hiring a facilitator. Arnold agreed to make a more detailed timeline to share with the members of the Committee for budget preparation.

Clerk/Treasurer John Wright reviewed changes made to the preliminary budget subsequent to the August meeting. He pointed out that the original Net New Construction (NNC) figure and annexation offset used for the original estimate presented in August was not accurate. Specifically, NNC construction includes the value of buildings as well as the increased value of land; Wright had only used the building value derived from the Municipal Assessment Report only in the initial estimate. Furthermore, the CPI annexations by the City of Verona occurred in 2016 and were accounted for as a negative offset for the current budget. Lastly, there is an optional $4,446 of prior years' unused levy that can be approved by the Board by a 2/3 vote; Wright recommended for the Board to exercise that option this year. Wright reviewed the changes made since the prior meeting that were coded in red. The members advocated for the creation of subaccounts in QuickBooks that would make budget lines where income and expenses of deposited to/withdrawn from easier to understand when reviewing a detailed budget (e.g. escrow and dog licensing accounts). It was noted that Tara Bast, the auditor from Johnson Block approved the practice for some accounts to serve the dual purpose of deposits and withdrawals.

There was brief discussion regarding possible changes that could affect 2018 and subsequent budget years, including whether to issue alcohol licenses for a 2-year period rather than annually and a new ordinance to regulate road opening/right to work in the right-of-way and the associated fees. Wright conceded that one of the most difficult income sources to predict is money in lieu of taxes received by the Department of Natural Resources. He agreed to research the matter further to see if a more accurate projection could be included in future years. Ag Conversion Fee income is also volatile and does not necessarily occur the same year that the land is converted, making budget projections difficult. After brief discussion, it was agreed that quarterly reports to the Board could include budget amendments to accommodate the actual amounts that are received; without objection. Arnold noted that no expense was included in the 2018 budget for Town Hall Capital costs such as patio furnishings or landscaping. After brief discussion, it was determined that a yearly work plan of smaller project should be established. The majority present agreed upon $5,000 as a minimum amount to include per annum.

There was a brief discussion regarding whether to set criteria and a maximum annual cap on Town funding of social services that was discussed at the 2017 Annual Meeting this past April. Member Bass-Devries would like a further breakdown of payroll expenses to be shown on the detailed budget. It was noted that a dedicated $40,000 for Public Works Capital Equipment was recommended by the Public

Works Committee. Arnold noted that hiring second full time Town Patrolman does not seem possible in 2018 without drastic cuts to something else, or General Obligation debt, or an agreement from the qualified electorate by referendum or consent at the Annual Town Meeting. Likewise, replacement of the computer server is not included in the 2018 budget; Wright has received a quote from Vieth Consulting, but will investigate State rates for a similar device and software. There followed a long discussion regarding how much residential growth would be required to eliminate budget shortfalls. The short answer is that the Levy Limit enacted in 2005 and applied to 2006 and all budgets thereafter was designed by its very nature to keep the local levy flat. New growth increases the levy, which increases the amount of revenue derived from local taxes. However, the increase to the Town's Equalized Value results in potentially higher costs for the school district, technical college, fire department, EMS, etc. if other municipalities do not increase their value to the same degree. Simply applying the current levy to new homes does not account for negative offsets due to property removed, destroyed, or annexed; as a consequence, predicting the impact of new homes on future revenues derived from taxes is a limited tool. Wright agreed to supply the group with a 5-year analysis of the local levy at the next meeting.

Continue Review of Fees – Although a spreadsheet had been prepared for this purpose with proposed changes from the last set of changes in 2015, this item will be added to the next agenda due to lack of time for discussion.

Update on Building Sale – Arnold reported that the Town closed on the 335 N. Nine Mound Road property on August 31, 2017. However, the accepted offer of $350,000 once broker fees, , and an allowance for roof replacement were subtracted resulted in a net of $315,000. In addition, separate from the closing, the Town had to pay the City of Verona for an old sewer hookup fee. As a consequence, the Town has a shortfall of $35,000 on the line of credit from Capitol Bank to fund Capital Road projects until the property sale. The group agreed that the net sale proceeds need to be applied to pay off the line of credit rather than assume an ongoing General Obligation Debt not approved by the qualified electorate at the 2016 Annual Meeting.

Discuss Results of Meeting with Tara Bast of Johnson Block – Arnold reported that Bast had attributed some Capital Building Costs paid in 2017 to the 2016 budget. As a consequence, the Town has more available funds this year.

Schedule Next Meeting and Agenda Items – the next meeting will be held in mid-October; the date is to be determined. Items on the agenda will include

Call to Order, Approval of Agenda
Approve Minutes from September 13, 2017
Continue 2018 Budget Review
Continue Review of Fees
Schedule Next Meeting and Agenda Items
Adjourn

Adjourn – Motion by Bass-Devries; 2nd by Wolf. Motion carried at 4:41 PM.

Approved: October 20, 2017 Prepared by: John Wright with Amanda Arnold Review