

# 2021 Budget Amendment Request

**MEMO DATE:** May 3, 2021

**TO:** Village Board

**FROM:** Deb Winter, Treasurer

**RE:** 2% Fire Dues

The Wisconsin Department of Safety and Professional Services has a Self-Certification program with all Fire Departments in the state of Wisconsin. Please see the attached FAQ on 2% Fire Dues. The Village is in a more unique situation in that the Administration of the Fire Department is handled by the Town of Cottage Grove. With that said, the Town invoices the Village on a monthly basis for the Village's portion of the Fire Department expenses. Currently in the Village financials there is a revenue line to account for the 2% Fire Dues revenue and an expense line to account for the Village's portion of the Fire Department expenses.

There are certain eligible expenses that the 2% dues can be spent on and the Fire Department can be audited by the state to make sure they are in compliance. With the current system of recording, there isn't a breakdown of what expenses the 2% Fire Dues are being allocated to. To rectify this going forward, the Town is being asked to separate the expenses on the monthly invoice to include 2% Fire Dues eligible expenses and all other Fire Department expenses.

In prior years, when the Fire Department budget was presented, the 2% Fire Dues revenue just offset the total expense in the Village budget. In an effort to comply with the requirements of the state, the Fire Department proposed a budget which implied that the 2% Fire Dues revenue received by each municipality should be turned over to the Fire Department or put in an equipment savings account. When approving the budget, the Village continued with past practices and budgeted as if the revenue would offset the expense. Therefore, the Village Fire Department budget amount for 2021 will be \$30,000 short, which is the estimated amount to be received for the 2% Fire Dues.

Going forward, the Village is proposing that the Town of Cottage Grove designate on their monthly invoice the expenses that are 2% Fire Dues eligible and which are not. Starting with the 2022 budget cycle, a Fire Department representative will be asked to participate in the Village Budget Workshop in order to fully present the Fire Department budget and justify any increase in ask amount.

The Village has been putting aside monies in the Capital Fund in anticipation of the purchase of a new fire engine in 2022. Due to this fact, there will fortunately be no negative impact on the levy or general budget for 2021. Staff recommends approval of this budget amendment request.