

Village of Cottage Grove

Village Administrator Memo



10.27.17

To: Village Board

Re: 2018 Draft Budget Review for Board Workshop

Please read through this memo prior to your review of the current draft budget proposals. New for this year are individual memos that explain any projects/initiatives exceeding \$5,000. Department Head staff will be present at the meeting to further discuss specific projects and requests.

2018 Budget Notes

- Current tax levy: \$3,399,323
- State allowed tax levy for 2018 budget: \$4,404,575
- Village Financial Management Plan 2018 levy: \$3,698,620 (8.8% levy increase; \$104 increase on a \$250,000 home (i.e. average assessed Village home))
- Every \$100,000 in the tax levy equals about \$38 on the tax bill for an average home

- *Note: figures based on the estimated assessed value of the Village and without TID levy certification from the State (which we will receive in late November)*

-2018 Committee/Department requested levy: \$4,236,367

- \$837,044 increase (\$537,747 over the Financial Management Plan approved levy)
- 24.6% levy increase
- \$310 tax impact on a home valued at \$250,000

-2018 Administrator recommended tax levy: \$3,698,682

- \$299,359 increase (\$62 over the Financial Management Plan approved levy)
- 8.8% levy increase
- \$104 tax impact on a home valued at \$250,000

Village Assessed Value vs. Equalized Value

--The Village must maintain a ratio of assessed to equalized value between 90% - 110%. If the Village falls out of this range, then we would have five years to get back into compliance (please see Treasurer Winter's attached memo on this topic). This year, based on an estimate at this point, it appears the Village will be at about 92% (the Village's assessed value will be about \$50 - \$60 Million less than the Village's equalized value). The following depicts how this discrepancy impacts the Village's portion of a tax bill on a \$250,000 home (based on the proposed tax levy):

- Based on estimated assessed value the increase would be \$104
- Based on equalized value the increase would be \$11

The Following items were included in the Committee/Department Head requested levy

--Please see the attached memos that detail the following requests

- Electronic poll books: \$5,000
- New/upgraded laptops for Board and staff: \$13,000
- Technology upgrades at Village Hall and MSB: \$21,000
- Financial software upgrades: \$16,000
- Revaluation: \$78,500
- Police Sergeant promotion: \$6,000
- Police Detective pay increase: \$5,500
- MSB and Village Hall maintenance: \$22,000
- Stormwater operating costs: \$10,000
- Increase road maintenance program: \$103,000
- Public Works staffing and realignment request: \$200,000
- Additional key card readers for MSB: \$7,000
- New Parks Maintenance position: \$66,000
- Additional hours and reallocation of duties for shared Administrative Assistant: \$15,000
- Reallocation of Forester duties/time: \$31,000
- Forestry operating costs: \$9,000
- CDA Economic Development project (four separate memos): \$41,500

The following displays which items are in or out of the Administrator's recommended tax levy (an item highlighted in yellow means that the budget request was partially funded)

- ~~Electronic poll books: \$5,000~~
- ~~New/upgraded laptops for Board and staff: \$13,000~~
- Technology upgrades at Village Hall and MSB: \$16,000
- ~~Financial software upgrades: \$16,000~~
- ~~Revaluation: \$78,500~~
- Police Sergeant promotion: \$6,000
- Police Detective pay increase: \$5,500
- MSB and Village Hall maintenance: \$22,000
- Stormwater operating costs: \$10,000
- ~~Increase road maintenance program: \$103,000~~
- ~~Public Works staffing and realignment request: \$200,000~~
- ~~Additional key card readers for MSB: \$7,000~~
- ~~New Parks Maintenance position: \$66,000~~
- Additional hours and reallocation of duties for shared Administrative Assistant: \$15,000
- Reallocation of Forester duties/time: \$10,000
- Forestry operating costs: \$9,000
- CDA Economic Development project (four separate memos): \$41,500

Capital Equipment, Stormwater and Maintenance Plan

--The total cost planned for 2018 is \$407,708.

- \$338,000 is levied money
- \$69,708 will come out of the Capital Savings Account (i.e. previously taxed dollars which are earmarked for capital spending)
- The following are the planned expenditures for this fund (costs reflect general fund impact)
 - End Loader (replacing 2001): \$174,591
 - Skid loader (annual lease replacement): \$1,500
 - Wood chipper (2008): \$48,617
 - Police Squad replacement program: \$43,000
 - Stormwater model: \$55,000
 - Conservancy Court wetland scrape: \$85,000

2018 Borrowing

--There is no planned borrowing for general fund projects in 2018

--The Sewer Utility is planning to issue debt for planned replacements and upgrades to the South Main Street lift station and forcemain. These projects total \$2,177,000 and will be funded via the Sewer Utility and TID #7.

Village Unrestricted Reserves

--The Village has a policy to maintain a 20% - 30% ratio of unrestricted reserves to expenditures. Following the 2016 audit the Village was at 37%. I'm projecting we'll be at about 33% at the end of 2017 and about 38% at the end of 2018 (increase due to shift of Cable Fund dollars), if the budget is passed as presented. The 2018 budget is using reserves to cover planned expenses in the Capital Fund and for a one-time economic development project for the land north of I-94. The total use of reserves will be approximately \$100,000.

--If the Board would like to fund a revaluation of the Village (\$79,000) via cash reserves, the impact would leave the Village's reserve ratio at approximately 35%.

In Conclusion

As you review these materials and the proposed budget, please keep in mind that the document is in draft form and still has about a month and a half worth of revisions until it is finalized. The Village Board workshop is scheduled for October 30th at 5:30. The goal of the workshop is to complete a preliminary budget by the end of the meeting. Following the workshop, a public hearing on the budget will be scheduled for November 20th. In the interim, the Village will publish the budget and provide at least a 15 - day notice for the hearing. The budget will be made available both online and at Village Hall for review by the public. The Board could choose to approve the final budget at the November 20th or December 4th meeting. Tax bills are due to be mailed out by December 18th.

As always, please let me know if you have any questions or would like to discuss anything further. You may call my cell phone (listed below) anytime.

Thank you.

Sincerely,

Matt Giese

Village Administrator
920.254.5966



2018 Budget Request

MEMO DATE:	September 27, 2017
MEETING DATE:	October 10 th , 2017
TO:	Finance Committee
FROM:	Lisa Kalata, Clerk
RE:	Elections-E-Poll Books

OVERVIEW/BACKGROUND

The Wisconsin Election Commission was approved on June 20, 2017 to build an electronic poll book system in-house and offer the software to Wisconsin clerks at no cost. The new e-poll book system will be an electronic version of the paper poll books that are used today. Poll workers would check in or register voters using a laptop or tablet instead of the paper poll books. This is where the cost is associated with the project, we would need the laptops or tablets. However, the e-poll book data would then be imported directly into WisVote, eliminating the need to manually record election participation and enter Election Day Registrations. This would be a cost savings in time and human error.

While the software will be available at no cost, we would need to purchase the hardware needed to run the system, such as laptop, tablet and printer.

FINANCIAL IMPACT

\$500 - \$1000 per poll book station. At this time, I'm requesting \$5,000 for 2018 to implement the new E-Poll Book in the Village.

DEPARTMENT HEAD THOUGHTS/RECOMMENDATION

I'm recommending that we move forward as this technology is available to the Village to utilize. This will help with the flow of the polling location, and will prolong the one voting location; which is a cost savings. This will also help with efficiencies for staff to complete the election processes in a timely and error free manner. It would also make the voter experience more efficient.



2018 Budget Request

MEMO DATE:	October 6, 2017
MEETING DATE:	October 10 th , 2017
TO:	Finance Committee
FROM:	Deb Winter
RE:	New/Upgraded Laptops for Board Members and Staff

OVERVIEW/BACKGROUND

The current tablets the Village provides for Board members are getting fairly old and there have been some requests to have a device which includes a keyboard. Some departments heads/staff would benefit from having a mobile device to take home to work from home, to take to meetings and to take to conferences. We looked at smaller laptops that basically would only need access to the internet for Board members and "thinkpads" for department head/staff members.

FINANCIAL IMPACT

Overall budget impact of \$13,100.

DEPARTMENT HEAD THOUGHTS/RECOMMENDATION

Most Village Board members are not using the tablets currently available due to not having keyboards and not being user friendly enough. Department heads/staff would benefit and use a mobile device quite often.



2018 Budget Request

MEMO DATE:	October 5 th , 2017
MEETING DATE:	October 10 th , 2017
TO:	Finance Committee
FROM:	Deb Winter
RE:	Interconnectivity Between Municipal Buildings/Phone System Interconnectivity/New Server for All Departments including Backup and Anti Virus

OVERVIEW/BACKGROUND

In our current environment, the two municipal buildings do not "talk" to each other. We each have a separate server with individual backup and anti virus and a separate phone system that does not allow transfers to the other building.

This proposal consists of obtaining a wireless connection that will go from Village Hall (VH) to the Municipal Services Building (MSB) via bouncing off both water towers.

The MSB uses a wireless phone system with only data and one emergency line using Frontier phone lines. With interconnectivity, VH and MSB could be on the same phone system allowing transfers of calls and knowing others availability.

The life span of a server is between 3 to 5 years. The current server at VH is 3 ½ years old. The current server at MSB is beyond its life and needs to be replaced. Having interconnectivity would allow all departments to be on one server, with one backup system and one anti virus system.

FINANCIAL IMPACT

The hardware needed to allow for wireless interconnectivity has been estimated at \$6500. This includes power protection and battery backup for the equipment allowing the wireless connection. There is no labor included as the vendor is interested in an agreement with the Village to put more equipment on the North Water Tower in order to offer residents of the Village and outlying areas another option for internet connection.

The phone system at VH is very old and does not allow for a wireless option. In order to be on the same system, approximately 10 phone sets would need to be purchased for an estimated cost of \$5,000.

One larger server would need to be purchased to run both VH and MSB. The cost for a new server would be \$19,800. Both utilities would be responsible for 10% each of the total cost bringing the levy impact down to \$15,840. This cost includes both hardware and software for all users.

The backup system would be combined and would include onsite backup, offsite replication and instant virtualization allow for seamless continuity. Going from two servers to one server



and dropping the "acting server" workstation for PW and Parks/Rec would give the Village a \$700 a year savings.

The anti virus improvement would have a zero financial impact.

DEPARTMENT HEAD THOUGHTS/RECOMMENDATION

I recommend moving forward with this project. Having all departments connected allows for seamless communication efficiencies in both phones and computer systems and allows employees to serve constituents in a more efficient manner. Given the fact that a current server is in need of replacement, it makes financial sense to combine the buildings to maintain and support only one server versus two. In today's computer based world, having reliable systems is imperative to continual operations of the Village.



2018 Budget Request

MEMO DATE:	October 5, 2017
MEETING DATE:	October 10 th , 2017
TO:	Finance Committee
FROM:	Deb Winter
RE:	Civic Systems Upgrades (General Ledger)

OVERVIEW/BACKGROUND

There are several modules to our General Ledger (GL) system that would allow for efficiencies in daily procedures and in communicating information to staff, management, elected officials and constituents.

One module is miAP/JE workflow in which invoices are scanned by the department purchasing where it is then attached to a customized workflow process for that department, approved and included in the bills list for final approval by the Board. Currently, department heads have to get the coded and approved paper receipt or invoice to Cynthia, Cynthia then creates a paper voucher and manually enters the voucher in the GL system, which are then all manually added before being included in the bills list for final approval by the Board. Saves a lot of time, decreases human entry error and having receipts/invoices lost in the shuffle. The other module is MiViewPoint Dashboard Reporting. This allows for real time access to financial, AP and utility information. Department heads would have real time access to budget vs. actual accounts and reports and can drill down to the scanned receipt/invoice in a particular account to verify spending.

FINANCIAL IMPACT

MiAP/JE workflow has a one time cost of \$6,800 and annual support fees of \$1,250.
MiViewPoint has a one time cost of \$6,800 and annual support fees of \$1,250.

DEPARTMENT HEAD THOUGHTS/RECOMMENDATION

I recommend moving forward with this project. The more manual processes you can eliminate, the more efficient you can become as well as potentially lessening the amount of human error. Having access to real time information would be extremely beneficial to staff and management.



2018 Budget Request

MEMO DATE: October 6, 2017
MEETING DATE: October 10th, 2017
TO: Finance Committee
FROM: Deb Winter
RE: **Total Village Wide Revaluation**



OVERVIEW/BACKGROUND

It is recommended and common practice for a municipality to perform a revaluation an average of every 5 years. Some do this as a total municipal wide revaluation, some are on a schedule where a portion of the municipality is revaluated every year. The last revaluation performed in the Village of Cottage Grove was 2007.

There are several reasons why a revaluation is needed:

1. Inequities exist in the assessments of properties within a class.
2. Inequities exist between classes of properties.
3. Some remodels may have been done without proper permits and are therefore not on the tax roll.
4. The assessment ratio is falling out of compliance.

Being in compliance means the assessed value of each major class of property is within ten percent (10%) of the equalized value of that same class of property. This has recently changed from compliance being within five percent (5%) to compliance being within ten percent (10%).

FINANCIAL IMPACT

In order for a municipality to do a partial revaluation (Interim Market Update), a full revaluation must have been done within the last ten (10) years. Therefore, the only option the Village has is to do a full revaluation at a proposed cost of \$96,000.

DEPARTMENT HEAD THOUGHTS/RECOMMENDATION

I recommend moving forward with this project. It is important to tax each class and each property owner fairly and equitably. The longer the project gets put off, the more out of balance property values are going to get, making the adjustment when a revaluation is done, even more noticeable. I would like to get on a schedule where partial revaluations are done so that the cost can be spread more evenly throughout the years.



2018 Budget Request

MEMO DATE:	
MEETING DATE:	October 10 th , 2017
TO:	Finance Committee
FROM:	Chief Dan Layber, Police Department
RE:	Budget Request Increase – Sergeant Promotion

OVERVIEW/BACKGROUND

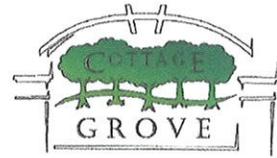
The first budget request increase is for a **sergeant position** for the police department as recommended by the Moffett study from 2014. The consultants recommended that a sergeant position be created so that there are proper numbers of supervisors in the police department for an agency of our size. With this position created, we will have supervision on all three shifts which is highly recommended for a professional police organization. With the addition of this position, a supervisor ratio of 5 officers per supervisor will be achieved which is the recommended standard for law enforcement. We are not asking for an additional position at the department, we are asking for the additional money to pay for an existing officer to be promoted to this position. I would recommend that the sergeant be paid at least 10% more than the top patrol position so that we can keep salary compression at a minimum, and attract a qualified candidate from the department with greater responsibilities. This sergeant would remain in the union and would not be a salaried employee

FINANCIAL IMPACT

I would estimate that this would cost an **additional \$6000 per year** in salary and benefits.

DEPARTMENT HEAD THOUGHTS/RECOMMENDATION

A necessary pay increase for a promotion that is recommended for proper supervision levels at the police department



2018 Budget Request

MEMO DATE:	
MEETING DATE:	October 10 th , 2017
TO:	Finance Committee
FROM:	Chief Dan Layber, Police Department
RE:	Budget Request Increase – Detective Pay Increase

OVERVIEW/BACKGROUND

The second request is for a salary increase for the **detective position**. As per the union contract we pay the officer in this special position an extra \$.50 per hour for performing the duties required. This is an unusual way of compensating a detective in an agency of our size, as opposed to most agencies, which promote an officer to the detective position and pay them accordingly for their duties. Most police agencies pay their detectives a wage that is usually in line with a sergeant position so as to attract a qualified candidate for the job and compensate them for the additional responsibilities. We would need to negotiate the increase in salary for the position while we are working on the new contract.

FINANCIAL IMPACT

I would estimate that this would cost **an additional \$5500 per year** in salary and benefits.

DEPARTMENT HEAD THOUGHTS/RECOMMENDATION

A necessary increase to fairly compensate the detective position.



2018 Budget Request

MEMO DATE:
MEETING DATE: October 16th, 2017

TO: Finance Committee/Village Board

FROM: JJ Larson, Director of Public Works & Utilities

RE: **Additional operating expenses for Municipal Services Building & Village Hall**

OVERVIEW/BACKGROUND

The Municipal Services Building (MSB) houses vehicles and equipment for the Police, Public Works and Parks Departments. The variety and size of the fleet necessitated installation of nitrogen dioxide (NO₂) and carbon monoxide (CO) sensors in the garage area. These sensors monitor exhaust from gas engines (CO) and diesel (NO₂), and alarm if concentrations reach a dangerous level inside the building. NO₂ sensors require replacement every two years and most of them are now overdue.

The MSB has a large metal roof that was deemed in good condition during the renovation project a few years ago. Proactively inspecting and maintaining this roof before there are leaks or other failures will prevent costly, reactive repairs. In past years, we've had a contractor come in and inspect and make repairs to the roof of the Bonnie Rd. shop that stopped existing leaks and have prolonged its functional life (for \$1,500). Typically, this work involves a comprehensive, close inspection and then small gaskets (around the screws fastening the metal sheathing) are replaced and any caulking failures repaired. I anticipate we could get this work done for \$2,000 in 2018.

A facility assessment 2 years ago, recommended repair of two failed condensing units at Village Hall as well as replacement of four thermostats. The meeting space is a constant issue, and these units were identified as the cause and have reached the end of their useful life.

FINANCIAL IMPACT

\$6,000 total increase for MSB maintenance. \$4,000 to purchase and replace all the overdue NO₂ sensors in the Municipal Services Building garage and \$2,000 to have a contractor inspect and maintain the building's metal roof.

For Village Hall, replacement of the condensing units is estimated at \$14,000 and the thermostats around \$1,600. There is a possibility that the condensing units could be repaired, but that has yet to be investigated.



DEPARTMENT HEAD THOUGHTS/RECOMMENDATION

Staff only became aware of the lifespan of these sensors after one was alarming and found to have failed this past year. Now we can budget for replacements in an appropriate manner to avoid costly call-outs. It is recommended that this money is budgeted to avoid further sensor failures.

While the MSB is in great shape, and completely renovated now, the roof is not new, and proactive maintenance will be a lot more cost effective than reactive leak repair. It is my recommendation that we increase this budget line in to have the roof maintained annually.

The meeting room at Village Hall is a constant battle to heat and cool properly. The facility assessment identified the air condensing units as an issue. The units are at the end of their useful life, and while repair will be investigated, I recommend budgeting for replacement. The digital thermostats in Village Hall are outdated and I recommend replacement. Upgrading these would allow for more efficient control of the environment inside the Hall, and allow staff to properly program heating and cooling to ensure we're not wasting energy.



2018 Budget Request

MEMO DATE:
MEETING DATE: October 10th, 2017

TO: Finance Committee

FROM: JJ Larson, Director of Public Works & Utilities

RE: **Addition of staff position/realignment of responsibilities**

OVERVIEW/BACKGROUND

In 2015 a comprehensive staffing study of 18 comparable communities showed that to reach the average citizen-to-staff ratio at that time, our staff would have had 12 in Public Works & Utilities. Of that study group, the 5 most comparable communities were identified (based on population, responsibilities, organizational structure and service-level provided) and to meet the average staff/citizen ratio our staff would have been 9 in 2015.

In advance of budget talks this year, I reached out to only the two most identical communities for an update (Monona & McFarland); they have nearly identical service provision, are very close in size and are located nearby in Dane County with similar proximity to Madison. As of this writing, McFarland has 10.5 FTE in their Public Works & Utilities Department. Monona has a total of 12 employees in their Public Works & Utilities Department; and their Director is requesting an additional Utility field position during budget discussions this fall.

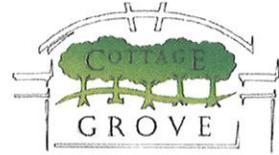
Since 2010 the population in Monona has increased 4.39%, to 7,864, for a current citizen-to-PW staff ratio of 655. McFarland has grown 3.02% to 8,044, for a current ratio of 766. The Village of Cottage Grove has grown 7.15% in population and has a current citizen-to-staff ratio of 947. Addition of one position would bring us to a ratio of 829; still likely to be one, if not *the*, leanest and most efficient Public Works/Utilities Departments of any in the state.

FINANCIAL IMPACT

The impact of this additional position and restructuring of the Department would mean an increase of over \$200,000 to the General Fund.

DEPARTMENT HEAD THOUGHTS/RECOMMENDATION

It is recommended that the Department add an additional Foreman position and restructure staff under newly created Utility Foreman and Streets Foreman positions. This will facilitate a more proactive approach to planning, tracking and conducting our work. The Foreman positions will be field/working positions with the majority of administrative duties handled by



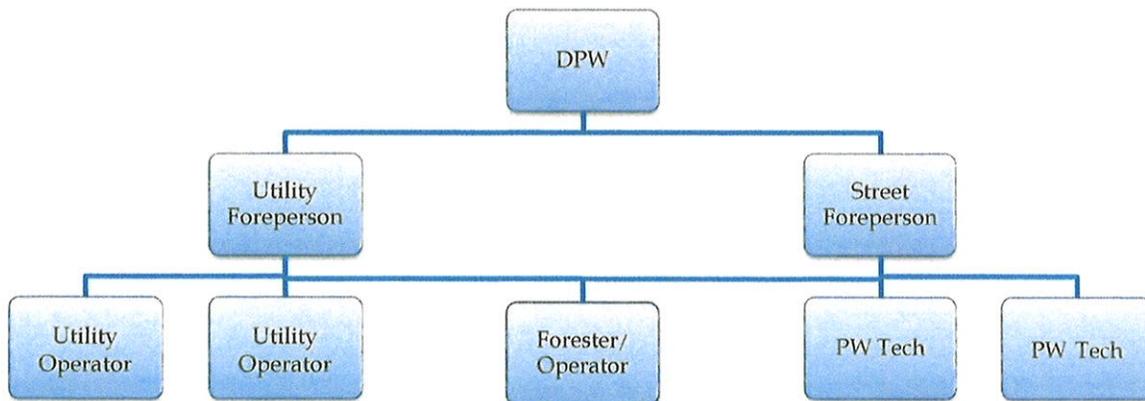
the Director, but occasional Committee or Board meetings may be required. The structure would still require cooperation between divisions for large projects and all staff will be required for snow removal operations. This Village has been fortunate to have a Foreman in place for decades who takes tremendous pride in his work and serving the community; it is my contention that this individual's unprecedented dedication is the reason that the Department has been able to sustain the level of service over such tremendous growth in the last 20 – 30 years. The work of the Department has grown beyond even the capabilities of this individual, and the best way to move forward is to divide duties and have focused Streets and Utility teams. Streets would handle stormwater as these are funded by the General Fund and not an enterprise fund like water and sewer. Areas where cross-training and overlapping skills are valuable will be maintained (e.g. CDL licenses for plow operation), but more efficient delegation of duties will allow for stronger growth and educational opportunities for staff in specialized areas; ultimately making each team more efficient. Proper structuring of our Department will also allow for a genuine, tangible succession plan to be implemented to educate the next leaders and pass along the institutional knowledge that resides with our current staff.

SUMMARY OF COMMITTEE DISCUSSION/RECOMMENDATION

The Public Works & Properties Committee recommended unanimously in 2015 the addition of a Foreman position and another field laborer position to allow for this delegation of responsibilities. It was ultimately determined by the Board at that time that the Department could add the laborer position in May of 2016.

On September 5, 2017, the Public Works & Properties Committee voted 3-1-0 to approve the budget as presented.

See the proposed reorganization below that was presented to the Public Works Committee.





2018 Budget Request

MEMO DATE:
MEETING DATE: October 10th, 2017

TO: Finance Committee

FROM: JJ Larson, Director of Public Works & Utilities

RE: **Additional money in road maintenance budget**

OVERVIEW/BACKGROUND

The Village of Cottage Grove is currently responsible for over 33 miles of roadway. This number continues to grow significantly; first through annexation (where we often take on an existing, well-worn section of former Town or County roadway) and then begin to add new roadways within as development proceeds. Historically the Village has done a good job of proactively following industry best practice for road maintenance; cracks are filled early in the life of the roadway and maintenance treatments are applied at the earliest, fiscally responsible times and at planned and appropriate intervals beyond if warranted. Roads are rated biennially (using WisDOT PASER rating system), and appropriate work is planned based on this information.

The Village has experienced tremendous growth over the last 20 – 30 years, and funding for road maintenance has not kept pace to allow for responsible, economical care for this infrastructure. Experts and elected officials will debate the useful life expectancy of a properly constructed roadway, but it always falls somewhere between 20 and 40 years at the most. While the Village will continue to proactively continue with crack filling, applying maintenance treatments and smaller patch replacement; an increase in this budget is needed to begin more aggressively pursuing a mill & repave maintenance strategy.

Mill and repave is a process that involves milling off the top of an existing road (typically 2"), and then repaving with new asphalt to return a smooth driving surface, free of cracks and renewed protection of the base layers below from water penetration. It is this infiltration for prolonged periods that weakens the layers below leading to "alligatored" cracks, potholes and ultimately complete failure. Repairing a road that has been neglected for too long requires complete reconstruction; meaning that the entire roadway and base layers of stone beneath are excavated and reinstalled to proper specifications and a new roadway is built above. This is exponentially more expensive in the long run than proactively protecting the roadways. In older municipalities, complete reconstruction is more common as utility infrastructure below are also in need of replacement (e.g. our recent Seldal neighborhood project), but our Village's rapid growth over the last few decades means that our water, sanitary sewer, and storm infrastructure are largely in great working condition, and if



properly maintained should have a 100-year life-expectancy. It makes both long and near-term sense to invest more in road maintenance given this is our situation here in the Village. Not proactively managing this infrastructure now is just “kicking the can” to future Village tax payers, who will ultimately pay significantly more to repair Village roads that have been allowed to completely fail.

FINANCIAL IMPACT

The Department is requesting an increase in the road maintenance budget line from \$97,000 to \$200,000 annually.

DEPARTMENT HEAD THOUGHTS/RECOMMENDATION

As outlined above, our buried infrastructure is in comparatively great shape to other older municipalities; and it makes no fiscal sense to allow any of our roadways to require complete reconstruction if we aren't also going to be replacing underground infrastructure. That being the case, it is my recommendation that the Village begin to pursue a more aggressive mill and repave maintenance approach to Village roads before they do require costly complete reconstruction.

The adoption of the Village's Financial Management Plan has put in place sound plans for major reconstruction projects, that will utilize responsible borrowing and planning to ease impacts on tax payers. Without the FMP, it would be likely that I would be requesting a tripling (or more) of this budget line to responsibly maintain our roadways. While other communities of our size spend significantly more per mile on their roads, it is my recommendation that this increase, in conjunction with the continued support of the FMP, will put the Village on a strong path towards responsible road management.

SUMMARY OF COMMITTEE DISCUSSION/RECOMMENDATION (IF APPLICABLE)

On September 5, 2017, the Public Works & Properties Committee voted 3-1-0 to approve the budget as presented.



2018 Budget Request

MEMO DATE:
MEETING DATE: October 10th, 2017

TO: Finance Committee

FROM: JJ Larson, Director of Public Works & Utilities

RE: Increase in Stormwater operating budget lines

OVERVIEW/BACKGROUND

Recent agreements, including Yahara WINS, and the League of Wisconsin Municipalities Leaf Study, as well as our annual DNR permitting costs mean that an increase of \$5,000 is needed to cover "general permitting/contribution expenses."

The contracting of annual illicit discharge & stormwater outfall inspections and reports, as required by DNR, will cost around \$5,000 annually to conduct.

FINANCIAL IMPACT

The requested increase, over two line-items; Professional Services and the Stormwater Management/Fees, totals a requested increase of \$10,000 (\$5,000 per line).

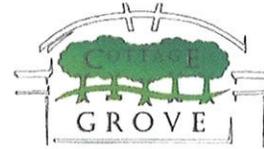
DEPARTMENT HEAD THOUGHTS/RECOMMENDATION

Outfall inspection, reporting and documentation is vital for assessing physical maintenance needs and detecting illicit discharges to the stormwater system. Not only is this a best practice, it is a requirement per our MS4 permit through WIDNR. It is my recommendation that this work be contracted annually, as current staffing levels don't allow for these important field inspections and reports.

The costs associated with our required permits and contributions, while not insignificant, are substantially less than the potential costs that could result were the projects we contribute to not in place. One great example is Yahara WINS; were this work not taking place, with the help of our agreed to contribution and that of other communities, it is a virtual certainty that the Madison Metropolitan Sewerage District would have to add physical phosphorus removal infrastructure to the treatment plant and pass those enormous costs onto us as customers.

SUMMARY OF COMMITTEE DISCUSSION/RECOMMENDATION

On September 5, 2017, the Public Works & Properties Committee voted 3-1-0 to approve the budget as presented.



2018 Budget Request

MEMO DATE:	October 5, 2017
MEETING DATE:	October 10 th , 2017
TO:	Finance Committee
FROM:	Sean Brusegar, CPRP – Director of Parks, Recreation & Forestry J.J. Larson – Director of Public Works & Utilities
RE:	Addition of card readers to Recreation programming space and maintenance entry door

OVERVIEW/BACKGROUND

Add a card reader to the recreation programming space and to the walk door that enters the shop from the rear parking lot.

FINANCIAL IMPACT

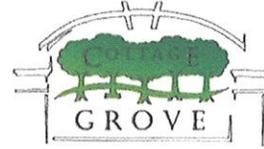
Rear shop entry door	= \$3,500
Recreation Programming Space	= <u>\$3,600</u>
Total project cost	= \$7,100

DEPARTMENT HEAD THOUGHTS/RECOMMENDATION

Currently, we provide adult fitness and cheer and tumbling staff keys to enter the building during non-business hours. Having a card reader installed would allow us to track who and when someone enters the building. The key that we must give staff also gives them access to any door other than the P.D. as all locks are keyed the same on the Recreation/DPW side of the building.

SUMMARY OF COMMITTEE DISCUSSION/RECOMMENDATION (IF APPLICABLE)

This project was not discussed during committee budget discussions.



2018 Budget Request

MEMO DATE:
MEETING DATE: October 10th, 2017
TO: Finance Committee
FROM: Sean Brusegar, CPRP – Director of Parks, Recreation & Forestry
RE: Full Time Employee in Parks Department

OVERVIEW/BACKGROUND

Add one full time position that would be dedicated to parks maintenance. This position would also assist in snow removal on Village streets, parks, trails and sidewalks.

FINANCIAL IMPACT

\$66,157 levy increase

DEPARTMENT HEAD THOUGHTS/RECOMMENDATION

During the outdoor months, I spend 60% - 70% of my time away from the office directing seasonal staff and being part of all day to day aspects of parks maintenance, park improvement projects and seasonal staff management. Having a full-time person would allow me to be in the office more doing park and recreation planning. Currently, the Village has 83.6 acres of parkland. Soon, we will be adding as much as 30-40 acres of additional parkland. This will require me to be out of the office even more.

SUMMARY OF COMMITTEE DISCUSSION/RECOMMENDATION (IF APPLICABLE)

On September 27th, 2017, the Parks, Recreation & Forestry Committee voted 5-0-0 to approve the budget as presented.



2018 Budget Request

MEMO DATE:	October 2 nd , 2017
MEETING DATE:	October 10 th , 2017
TO:	Finance Committee
FROM:	Sean Brusegar, CPRP – Director of Parks, Recreation & Forestry J.J. Larson – Director of Public Works & Utilities
RE:	Administrative Assistant Hour Increase and Adjusting to 70% Recreation

OVERVIEW/BACKGROUND

The Recreation Administrative Assistant currently works 20 hours per week. The salary for the position is split 19% Recreation, 15% DPW Office, 33% Water and 33% Sewer. Would like to increase the available hours for the position to 30 hours weekly and shift working responsibilities to 70% recreation 10% DPW office, 10% water and 10% Sewer.

FINANCIAL IMPACT

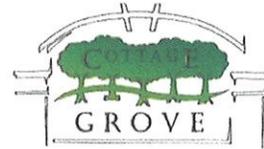
\$15,883 levy increase.

DEPARTMENT HEAD THOUGHTS/RECOMMENDATION

Since the position was created in 2009, the number of recreation programs has increased by 70%. In 2009, more of the duties were required by DPW/ Utilities than Parks & Recreation. Increasing the position's hours from 20 to 30 hours allows for more office coverage when Parks & Recreation staff or DPW Director must be away from the office.

SUMMARY OF COMMITTEE DISCUSSION/RECOMMENDATION (IF APPLICABLE)

On September 27th, 2017, the Parks, Recreation & Forestry Committee voted 5-0-0 to approve the budget as presented.



2018 Budget Request

MEMO DATE:
MEETING DATE: October 10th, 2017
TO: Finance Committee
FROM: Sean Brusegar, CPRP – Director of Parks, Recreation & Forestry
RE: Village Forester Reallocation of Time

OVERVIEW/BACKGROUND

Requesting that 70% of the Foresters time be dedicated to Forestry. Currently, 20% of the Village Forester's time is allocated to Forestry. The remaining 80% is considered DPW/Utility time.

FINANCIAL IMPACT

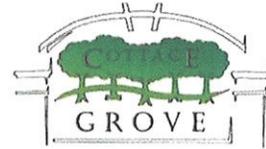
\$31,040 levy increase

DEPARTMENT HEAD THOUGHTS/RECOMMENDATION

After the last tree inventory in 2007, the Village had 2,600 terrace/Village trees. As of today, we have 3,550. That is a 35% increase in 10 years. If current Village growth trends continue, over the next 5 years there will be an additional 400 terrace trees added to that total. By 2022, 1,350 or 34% of all terrace/Village trees will be 10 years or younger. With the first 10 years being the most critical in the development of the tree, it is very important that we have dedicated staff to maintain those trees. We will be adding a bucket truck to the fleet late in 2017. That will aid in the maintenance and any future removals.

SUMMARY OF COMMITTEE DISCUSSION/RECOMMENDATION (IF APPLICABLE)

On September 27th, 2017, the Parks, Recreation & Forestry Committee voted 5-0-0 to approve the budget as presented.



2018 Budget Request

MEMO DATE:	October 2 nd , 2017
MEETING DATE:	October 10 th , 2017
TO:	Finance Committee
FROM:	Sean Brusegar, CPRP – Director of Parks, Recreation & Forestry
RE:	Forestry Operating Supplies/Expenses Increase

OVERVIEW/BACKGROUND

This increase is to allow for treating Village owned Ash trees for EAB (Emerald Ash Borer)

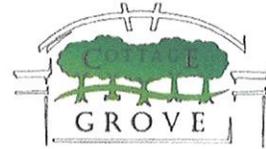
FINANCIAL IMPACT

\$9,100 levy increase. This covers chemicals and all supplies needed for treatment of trees.

DEPARTMENT HEAD THOUGHTS/RECOMMENDATION

Since first treating Village owned Ash trees in 2016, we have seen an improvement in the canopy and overall health of the trees. The current plan requires treatment of the Ash trees every 2 years. We have several confirmed cases of EAB in and around the Village. If we choose to not treat the Ash trees, we will encourage the Emerald Ash Borer to continue its attack on the tree. This will result in a steady decline in the tree's health and the ultimate removal of over 300 Village owned Ash trees resulting in the need to replace the trees. This removal process could begin as soon as 2019.

The average DBH (Diameter at breast height) of a Village ash tree is 11". A conservative estimate for removal and replacement of each tree would be \$1,500. That equals a total cost of approximately \$450,000. The on average 11" DBH tree would be replaced with a 1.5" to maximum 2" DBH tree. The environmental benefits of a 11" DBH tree are certainly greater than a 3" DBH tree and are immeasurable. Considering the cost of treatment which includes labor, supplies and transportation, the per tree cost is \$45.03.



SUMMARY OF COMMITTEE DISCUSSION/RECOMMENDATION (IF APPLICABLE)

On September 27th, 2017, the Parks, Recreation & Forestry Committee voted 5-0-0 to approve the budget as presented.



2018 Budget Request

MEMO DATE:	October 2, 2017
MEETING DATE:	October 10, 2017
TO:	Finance Committee
FROM:	Erin Ruth – Director of Planning & Development
RE:	CDA Budget Request – TIF District Creation

OVERVIEW/BACKGROUND

- Commercial and industrial land uses are crucial contributors to the Village's tax base, and increases in these land uses help to relieve the tax burden on residential land owners
- As the Commerce Park continues to fill up, the Village needs to begin preparation for new areas suitable for commercial and industrial land uses; the best option for future commercial development is north of Highway TT along Highway N on the north side of the Village
- Several hundred adjacent contiguous acres are available, land is relatively free of physical constraints to development, land has great visibility and prime access to I-94
- Some of the land was annexed into the Village in 2010; the land owned by the Dushack family immediately north of Highway TT was not annexed at that time
- Steps can be taken to prepare the land for development, removing uncertainty that can hinder development
- Annexation is not a prerequisite for urban service area amendment, but would be required prior to providing municipal services and prior to placing the land in a Tax Increment Financing (TIF) district
- The Village has the ability to create additional Tax Increment Financing districts; a district north of I-94 could facilitate installation of utilities, road improvements, development incentives and other related projects to encourage development in the area
- Creating a TIF district requires approval of a project plan by the Village, the State, and the applicable Joint Review Board

FINANCIAL IMPACT

- WI Dept. of Administration (WIDOA) review: \$1,000
- MSA engineering work in project plan: \$4,000
- Ehler's feasibility study: \$5,700
- Ehler's project plan: \$7,300
- Ehler's state submittal: \$1,500



- Village Attorney Boushea legal work on project plan: \$1,500
- ESTIMATED TOTAL COST: \$21,000

DEPARTMENT HEAD THOUGHTS/RECOMMENDATION

- As the economy has recovered, projects suitable for this site are becoming more common
- Competition for commercial and industrial development is intense; TIF is the primary tool that municipalities have to provide funding to facilitate development

SUMMARY OF COMMITTEE DISCUSSION/RECOMMENDATION (IF APPLICABLE)

- Discuss and consider by Community Development Authority (CDA) at October 9, 2017 meeting.



2018 Budget Request

MEMO DATE:	October 2, 2017
MEETING DATE:	October 10, 2017
TO:	Finance Committee
FROM:	Erin Ruth – Director of Planning & Development
RE:	CDA Budget Request – Urban Service Area Amendment

OVERVIEW/BACKGROUND

- Commercial and industrial land uses are crucial contributors to the Village's tax base, and increases in these land uses help to relieve the tax burden on residential land owners
- As the Commerce Park continues to fill up, the Village needs to begin preparation for new areas suitable for commercial and industrial land uses; the best option for future commercial development is north of Highway TT along Highway N on the north side of the Village
- Several hundred adjacent contiguous acres are available, land is relatively free of physical constraints to development, land has great visibility and prime access to I-94
- Some of the land was annexed into the Village in 2010; none of the area is located within the Cottage Grove urban service area
- Steps can be taken to prepare the land for development, removing uncertainty that can hinder development
- One such step is to seek an urban service area amendment to bring this area in to the Cottage Grove urban service area; this is a necessary step prior to extending municipal sewer service to the area
- Annexation is not a prerequisite for urban service area amendment
- Urban service area amendments are reviewed by Capital Area Regional Planning Commission (CARPC); CARPC provides opinion to WI Dept. of Natural Resources (WDNR) who grant final approval of amendment
- When land is added to urban service area, land can be marketed with more certainty regarding provision of utilities

FINANCIAL IMPACT

- CARPC urban service area amendment application fee: \$3,500
- MSA fee for engineering work in urban service area application: \$9,000
- Village Attorney Boushea fee for legal work in urban service area application: \$500
- ESTIMATED TOTAL COST: \$13,000



DEPARTMENT HEAD THOUGHTS/RECOMMENDATION

- Staff recommends funding the urban service area amendment
- Typically the cost of the urban service area amendment is paid by the property owner or developer when they are interested in developing the property
- In this case, there are multiple property owners; none of the current owners are developers and all are interested in selling their land for development
- To date, because the current owners are not the end users and because no specific project has come forward, the owners have not been interested in investing in acquiring the urban service area amendment
- As the economy has recovered, projects suitable for this site are becoming more common
- Given the enormous potential for increased tax base compared to the relatively modest cost of the amendment, it appears the Village would benefit from taking a leadership role in the urban service area amendment process including funding the amendment to better prepare the land for eventual development

SUMMARY OF COMMITTEE DISCUSSION/RECOMMENDATION (IF APPLICABLE)

- Discuss and consider by Community Development Authority (CDA) at October 9, 2017 meeting.



2018 Budget Request

MEMO DATE:	October 2, 2017
MEETING DATE:	October 10, 2017
TO:	Finance Committee
FROM:	Erin Ruth – Director of Planning & Development
RE:	CDA Budget Request – Annexation

OVERVIEW/BACKGROUND

- Commercial and industrial land uses are crucial contributors to the Village's tax base, and increases in these land uses help to relieve the tax burden on residential land owners
- As the Commerce Park continues to fill up, the Village needs to begin preparation for new areas suitable for commercial and industrial land uses; the best option for future commercial development is north of Highway TT along Highway N on the north side of the Village
- Several hundred adjacent contiguous acres are available, land is relatively free of physical constraints to development, land has great visibility and prime access to I-94
- Some of the land was annexed into the Village in 2010; the land owned by the Dushack family immediately north of Highway TT was not annexed at that time
- Steps can be taken to prepare the land for development, removing uncertainty that can hinder development
- In typical practice, the Village considers annexation upon receipt of a petition from the property owner; in this case the Dushack family would need to petition for annexation
- Annexation is not a prerequisite for urban service area amendment, but would be required prior to providing municipal services and prior to placing the land in a Tax Increment Financing (TIF) district
- If the cost of annexation is a prohibiting factor for the property owner, the Village could fund the cost of the application, perhaps with an agreement that the property owner will reimburse the Village when the land is sold

FINANCIAL IMPACT

- WI Dept. of Administration (WIDOA) review: \$1,750
- Petition preparation (inc. map and legal description): \$2,000
- Village Attorney Boushea fee for legal work in pre-annexation agreement: \$500
- ESTIMATED TOTAL COST: \$4,250



DEPARTMENT HEAD THOUGHTS/RECOMMENDATION

- If annexation is requested by the property owner, Staff recommends funding the annexation with an agreement that the property owner will reimburse the Village upon sale of the property
- Typically the cost of the annexation is paid by the property owner or developer when they are interested in developing the property
- In this case, the current owner is not the final end user and cost may be a prohibiting factor preventing the annexation from occurring
- To date, because the current owners are not the end users and because no specific project has come forward, the owners have not been interested in pursuing annexation
- As the economy has recovered, projects suitable for this site are becoming more common
- Given the enormous potential for increased tax base compared to the relatively modest cost of the annexation, it appears the Village would benefit from taking a leadership role in the annexation process including funding the petition to better prepare the land for eventual development

SUMMARY OF COMMITTEE DISCUSSION/RECOMMENDATION (IF APPLICABLE)

- Discuss and consider by Community Development Authority (CDA) at October 9, 2017 meeting.



2018 Budget Request

MEMO DATE:	October 2, 2017
MEETING DATE:	October 10, 2017
TO:	Finance Committee
FROM:	Erin Ruth – Director of Planning & Development
RE:	CDA Budget Request – Site Certification

OVERVIEW/BACKGROUND

- Commercial and industrial land uses are crucial contributors to the Village's tax base, and increases in these land uses help to relieve the tax burden on residential land owners
- As the Commerce Park continues to fill up, the Village needs to begin preparation for new areas suitable for commercial and industrial land uses; the best option for future commercial development is north of Highway TT along Highway N on the north side of the Village
- Several hundred adjacent contiguous acres are available, land is relatively free of physical constraints to development, land has great visibility and prime access to I-94
- Some of the land was annexed into the Village in 2010
- Steps can be taken to prepare the land for development, removing uncertainty that can hinder development
- After preliminary steps to prepare the site have been taken, the site can be certified as 'shovel ready'
- The Madison Region Economic Partnership (MADREP) offers the 'Golden Shovel' program which verifies that a site is development ready; upon verification the site will be marketed by MADREP and WEDC as 'shovel ready'

FINANCIAL IMPACT

- MADREP submittal fee: \$3,000
- MSA engineering work in submittal: \$500
- ESTIMATED TOTAL COST: \$3,500

DEPARTMENT HEAD THOUGHTS/RECOMMENDATION

- Staff recommends submitting for site certification when the site meets the minimum criteria to do so



- As the economy has recovered, projects suitable for this site are becoming more common
- Competition for commercial and industrial development is intense; site certification increases marketing reach and demonstrates a clear path to development

SUMMARY OF COMMITTEE DISCUSSION/RECOMMENDATION (IF APPLICABLE)

- Discuss and consider by Community Development Authority (CDA) at October 9, 2017 meeting.