

VILLAGE OF ELM GROVE

13600 Juneau Boulevard
Elm Grove, WI 53122

FINANCE COMMITTEE

Thursday September 19, 2019 * 7:30 AM * Park View Room

AGENDA

1. Call meeting to order.
2. Review and discussion of proposed capital budget

2020-2024 Capital Budget Draft 9/19/19

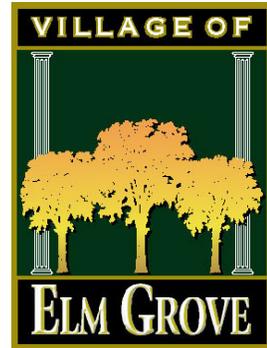
Documents:

Memo-draft Capital budget 9-19-19.pdf

3. Adjournment

Any person who has a qualifying disability as defined by the Americans with Disabilities Act who requires that the meeting or materials for the meeting has to be in an accessible location or format must contact the Village Clerk, Mary S. Stredni, at 262-782-6700 or 13600 Juneau Boulevard by 3:00 PM Friday prior to the meeting so that any necessary arrangements can be made to accommodate your request.

NOTICE: It is possible that members of, and possibly a quorum of, other governmental bodies of the Village may be in attendance at the above stated meeting to gather information. No action will be taken by any governmental body at the above stated meeting other than the governmental body specifically referred to in the above notice



MEMO

TO: Finance and Village Trustees
FROM: David De Angelis and Monica Hughes
DATE: September 13, 2019
RE: Five Year Capital Budget for Years 2020-2024

Attached is the proposed five year capital budget for discussion at the workshop on Thursday September 19, 2019. Department heads will be present to discuss their individual budgets and answer.

The budget has been prepared evaluating the needs for the next five years. The Village procedure is to include capital items (those greater than \$10,000 and with a life greater than one year) in the budget in the fifth year which allows financing at 20% over a five year period. Some equipment items/projects are moved in the cycle as needed due to changing conditions, breakage, or Village Board/Committee direction. Also included in the budget is funding for new equipment in the upcoming year. New equipment is considered to be items in value of \$1000-\$10,000 and life greater than one year. The Village began including new equipment in the capital budget two years ago. This was done because many equipment items were not being replaced due to the limits on the general fund budget. As in past year's an additional amount (\$50,000) is budgeted for future fire truck replacement needs. This is the same level as last year.

The current budget summary page shows 2019 revenues and expenditures. The three projects approved with outside financing are included; the HVAC replacement, Watertown Plank Road pathway and the splashpad. Donations of \$225,000 for the splashpad and loan proceeds of \$2,300,000 are reflected in revenue for 2019. At the close of 2018 the Village transferred \$270,000 from general fund operations to the capital budget for future capital needs. This was generated from operations savings in dispatch, police and fire wages, \$100,000 from paving budget (as Watertown Plank Pathway was moved to the capital budget to include the expansion to Pilgrim Road) and \$100,000 from unused contingency funds. \$150,000 of these funds have been set aside to be used for future projects/road resurfacing. Remaining funds are supporting the Watertown Plank pathway and overage for well pump repairs which were budgeted at \$60,000 and actual cost was \$103,000.

The current budget includes a tax levy of \$717,635, a small increase of \$8,135 above the final 2018 levy of \$709,500. It is estimated that our available tax levy increase for the current year due to new construction growth will be approximately \$25,000. Staff has been working on the budget for the past

month and reviewed proposed items closely in an effort to determine what should be expected in the next 5 years. The original draft including all requests reflected a levy of over \$900,000, we believe the current draft supports equipment that is needed to continue services efficiently and projects that the Village has prioritized.

The current budget continues to include \$500,000 for pathways in year 2023 as identified by the Village board last year and now also includes \$111,000 for the Village's share of the sidewalk cost on North Avenue, a commitment which the Village Board is in the process of finalizing with the City of Brookfield. As costs increase with changing world economic conditions and emissions standards we have increased the cost for public works vehicles and police squads according to current industry estimates.

A number of items were moved within the five year period as staff evaluated equipment and infrastructure conditions. In the general government budget-repaving on the Village hall parking lots has been postponed by one year and the replacement of computers has been divided over a two year period which more realistically identifies staff's ability to handle the replacement. In the public works budget, evaluation of the equipment and usage determined that the excavator (backhoe) should be replaced in 2020 while the front end loader and street sweeper could be postponed. The backhoe is used continually, costly repairs and lengthy downtime are causing work delays and inefficiencies. The backhoe cost is budgeted at \$238,000, staff is recommending financing, either internal or external, which would allow replacement next year with a five year payment schedule. Using financing and moving out the replacement of the front end loader and sweeper will have a neutral effect on the tax levy.

The Marcella Bridge remains in the budget as it was last year, representing the full cost, estimated at \$400,000. As was discussed at last year's meetings this bridge will not be replaced until necessary and we will continue to do repairs as needed. The current bridge inspection report shows an increased rating after the Village's recent repairs. The bridge is reflected in 2024 for replacement which will be reevaluated again after the next bridge inspection in 2021.

Two public works plow trucks have been moved from 2023 and 2024 until 2024 and 2025. Trucks are scheduled for replacement on a 12 year cycle. In reviewing these trucks, they were not put into service until a year after purchase because of the time involved to outfit with needed plows and equipment. These trucks will continue to be evaluated and if operating well would be postponed if possible. The replacement of the public works utility bucket truck is shown in 2024 and reflects the costs of a new chassis and moving the current equipment to that chassis. As we approach replacement, staff will also look at availability of used trucks.

This draft is for preliminary discussion and consideration of proposed equipment and projects. The capital budget will be evaluated again in conjunction with the operating budget and levy requirement during October workshops. Any additional information or research requested at this meeting will be made available the next time the capital budget is reviewed.