

**Village of Holmen
Special Board Proceedings
November 29, 2010**

President Proctor called the Holmen Village Board meeting to order at 6:35 PM on November 29, 2010 at the Holmen Village Hall Board Room.

Present: President Nancy Proctor, Trustees: Ryan Olson, Neal Forde, Mark Seitz, Tony Szak, and Richard Anderson (Michael Dunham was excused), Robert Haines, Mike Brogan, Mike McHugh and Mary Willett. Reporter Adam Bissen, Catherine Schmit, John Chapman, Dennis Aspenson, Jim Conway, Lloyd Pearson, Richard and Debra Wieland were also present.

The public hearing opened at 6:36 p.m. following the Pledge of Allegiance.

The proposed budget was presented by Administrator/Clerk Mary Willett. The levy as proposed would increase from \$1,696,429 to \$1,993,848 – an increase of \$297,419, of which \$245,000 is the debt payment of the general obligation bond for a total percentage increase of 17.52%. The Village's assessed value increased from \$467,946,880 to \$482,972,940, for a net increase of \$15,026,060 in property values for the 2011 tax levy. The tax rate as proposed is a \$.5674 increase per thousand for a proposed increase in taxes from the Village levy of approximately \$57.00/\$100,000 home. While the tax rate is an increase from last year's rate, it is less than the tax rate for all the years preceding from 2003 – 2009 where the tax rate was more than \$4.57 each and every year.

As presented, the expenses of the Village increased by \$8,971.00 over 2010, even though the Village is paying almost \$12,000 more for the shared ride program, \$8,000 more for the fire department and an additional \$5,700 for the Municipal court. Additionally, the police union has a 1% increase in pay January 1, 2011 and an additional 2% increase on July 1, 2011.

The 2011 proposed budget utilizes fee increase in the municipal bond schedule, parking fees, licensing fees, and recreation fees to increase the revenues \$309,247 over the 2010 budgeted revenues. Most fees have not been studied for increase for more than 5 years. As illustrated in the comparative charts, the fees are still less than or equal to those charged by many surrounding municipalities.

This is a zero balance budget. The revenues expected are balanced by the proposed expenditures expected. Budget adjustments throughout the year will recalculate expenses that vary from expected sums.

The proposed budget funds an additional police officer and new officer equipment, a surveillance camera, squad computer, in car camera, new outfitted squad car, a street and alley projects, computer outlay to update the systems to anticipate needs four years out, 3 part-time staff for the front office and a new Deputy Clerk/Deputy Treasurer position.

Jim Conway said that he is not a happy taxpayer. He said that he was glad that 17% was not a challenging number and that he felt it was an unreasonable amount. He went on to say that the Village is not charging enough fees – impact fees. The developers should cover these costs.

Tony Szak responded to Mr. Conway stating that the fees are there but there is a delay with the timing of when the Village actually receives some of the increased revenues from the fees and taxes.

Lloyd Pearson questioned the need for a Microsoft Office License for \$7,500 when the programs can be purchased individually cheaper. He also questioned the need for additional employees.

Mike Brogan brought forward the benefits of licensure for the program over individual licensed programs. With licensure, all computers in the office can be upgraded and each new computer purchase in the coming years will be a little less because we already have this program with its applications here ready to install. The other benefit is that if an individual computer has any problem and the program needs to be reinstalled, finding the exact program disk is not a problem.

John Chapman said that it was common practice for at least the last 35 years for the Village to use cash reserves.

Trustee Richard Anderson asked why this budget did not use reserves. He felt this year would be a good time to use those funds.

Mary Willett explained that the budget as proposed would use cash reserves per board approval if a situation arose during the year that revenues could not adjust to handle. In that case, the reserves would come in as a board-agree upon revenue to balance the expenditures exceeding the revenues received in calendar year 2011.

Debra Wieland commented that while it may be great to use cash reserves this year, a few years down the line will most likely be worse rather than better. Next year could be even more serious if we use the reserve money now.

Catherine Schmit pointed out an error in calculations with the public works capital outlay line item that needs to be addressed. She questioned out of concern the authority to put the loan payment on the levy. Additionally, she maintained that the payment for the public works shop loan could not be levied on the taxes.

Mary Willett said she had been working with the Department of Revenue on this issue, but would seek clarification.

The public hearing was closed at 8:08 p.m.

Ryan Olson/Tony Szak motioned to approve the 2011 General Budget as presented.

Ryan Olson stated that overall there is more in the budget that the trustees agree on than disagree. Questions have been entertained from the Board and the public. Olson cautioned that one must be careful with percentages. The Village is allowed to increase its levy by 3.09% instead of the state mandated limit of 2.8% because of growth. With growth, there are pressures on expenses and delivery of expected services. Spending was held to an increase of less than 1%. Philosophically, the Board needs to question whether the debt payment is all on the levy, some from reserves and whether there is a tax rate increase. There are areas that need relooking – confirmation/clarification from the Department of Revenue and the financial consultants for the real numbers of what can be applied to the levy. We need to make sure that we are accurate. Additionally, the capital outlay for public works needs to be refined.

Nancy Proctor said that this budget has been presented differently with all expenditures clearly visible for complete understanding before we approve this budget.

Mark Seitz stated that there remain some questions that require clarifications. Philosophically, what are reserves? They are tax money that has already been levied. Is it raining? How bad is it raining out there? The budget is at a good starting point. I would like to compliment Mary to get it to this point. It is a well done budget but it needs more work.

Tony Szak stated that he would be in favor of a 4.1279 tax rate. What we have proposed is very manageable and very well put together. The rate is down from recent past tax rates except last year where reserves were used to offset the rate.

The motion failed 0-5. AS presented it did not pass, but will be presented again for consideration at the Village Board meeting on December 9, 2010.

Mark Seitz/Ryan Olson motioned to table the fee schedule and category nomenclature until December 9, 2011 Board meeting. The fee schedule goes together with the budget. The motion passed unanimously.

At 8:23 p.m., Ryan/Mark Seitz motioned to convene into closed session per the authority of the Wisconsin §19.85(1)(e)(g). The motion carried unanimously on a voice vote.

At 8:55 p.m., Tony Szak/Mark Seitz motioned to reconvene into open session per Wisconsin §19.85(2). The motion carried unanimously on a voice vote.

Ryan Olson/Mark Seitz motioned to pursue a contract with MSA for the Phase II of the TID #2/updated Comprehensive Plan/South Corridor/Boundary agreement. Motion carried unanimously.

Tony Szak/Mark Seitz motioned to adjourn. Carried. Meeting adjourned at 8:58 p.m.

Mary M. Willett, Village Administrator/Clerk