

TOWN BOARD BUDGET MEETING OCTOBER 29, 2020 – 6:00 P.M.
TOWN HALL, 2354 COUNTY ROAD N
This meeting was held virtually via Zoom Meetings.

PRESENT: Chairperson David Pfeiffer, Supervisor Jay Damkoehler, Supervisor Janiece Bolender, Supervisor Eric Olson, Supervisor Doug Larsson, and Clerk/Treasurer Maria Hougan

ABSENT:

OTHERS PRESENT: Superintendent Alex Mesdjian

Chairperson Pfeiffer called the meeting to order at 6:00 p.m.

BUSINESS:

Discussion and possible action regarding the 2020 Equipment Use Agreement and Release of Liability between the City of Stoughton and the Town of Pleasant Springs for the use of the City of Stoughton's leaf vacuum equipment for two weekends in November (6th & 20th).

Motion by Supervisor Olson, second by Sup. Larsson, to approve the 2020 Equipment Use Agreement and Release of Liability between the City of Stoughton and the Town of Pleasant Springs, and to direct staff to contact the town's insurance carrier to add to the policy for the period of one month, for November 2020. Motion carried 5-0.

Discussion and work meeting on the 2021 budget.

Chair Pfeiffer reported out he has been working to get a clearer picture of the designated fund balances. These funds were set up prior to any of the current board members. He looked through Town audits back to 2013 to review fund balance activity. Chair Pfeiffer also observed that road projects sometimes come in under budget and the remaining funds become a surplus. He stated if the town borrowed money for roads projects, that money should be utilized for road projects and that the Town should take steps to ensure that any surplus due to savings on road projects are applied to road work in future budgets. Supervisor Bolender stated she agrees any surplus funds due to road projects coming in under budget should be spent on roads. Chair Pfeiffer stated there will be about \$200,000 remaining in the roads repair and maintenance account in 2020 because projects came in under budget due to the unexpected drop in material costs and that those funds should be carried forward for road work in 2021. There is a sufficient amount in undesignated reserves to cover the difference if the total 2020 surplus is lower. He will review all of the designated and undesignated funds prior to the next budget. He will also talk with the auditors regarding the annual ATC fund and correct that this income has incorrectly been reported as a reserve fund when it is actually unrestricted income.

Chair Pfeiffer discussed the ongoing road improvement plan to borrow \$300,000 for roads again in 2021. The Town is in the 3rd year of the borrowing for roads projects. Due to carrying forward the 2020 surplus, Chair Pfeiffer advised that no ATC funds would need to be requested for road work in 2021. Supervisor Bolender agrees. Supervisor Olson asked if there would be a concern of deviating from the original plan of using ATC funds after the meeting previously held

with constituents stated the town would be utilizing ATC funds. Would there be a concern to future Boards for not staying with the plan for roads? Chair Pfeiffer stated the plan designated an average amount of ATC funds would be utilized each year, not a specific amount. The money borrowed for roads must be used for roads. The carry over funds from 2020 should be utilized in 2021. If additional road work is approved, the Board can approve a budget amendment to utilize ATC funds. Supervisor Larsson asked who the town borrows from. He also asked if the board could loan themselves money from the excess reserve funds. Chair Pfeiffer stated the challenge would be if the Town borrows from their own funds, then they cannot levy for that. The Town still would have to borrow money to repay those funds. Supervisor Damkoehler stated the primary driver for setting up designated funds in the past was due to Act 10 and the limitations placed on budgets due to levy limits. That is when the board decided to budget annual transfers of \$15,000 for Fire & EMS and \$35,000 into Highway Equipment Fund so that expenses for large purchase items could be paid from reserves rather than having to borrow. Chair Pfeiffer stated doing these set asides helps to keep a fairly level tax bill for residents, as they would otherwise have had to borrow for large purchases and levy the repayment.

Chair Pfeiffer moved on to reviewing the remaining budget items to be considered. Supervisor Olson asked if they could find \$900.00 in the budget for the FOLKS leaf pick up program. After discussion, the Board agreed that the funds could be found if the Town would not ask for payment for staff time on the Friday leaf pick up. That would be an in-kind payment that would not require a change to the budget.

Chair Pfeiffer asked if any Board members had thoughts on the cost of living adjustment for staff. Discussion ensued regarding regional, state and federal cost of living adjustment percentages, consumer price indexes and projected inflation rates.

After discussion, Motion by Supervisor Larrison, second by Sup. Damkoehler, to approve a 1.8% cost of living (COLA) increase for 2021. Motion carries 5-0.

Chair Pfeiffer raised discussion regarding expenses budgeted for the parks. He stated relocating the tennis court at Oak Knoll would add to costs because, per Superintendent Mesdjian, the area to the east gets very wet. It was also noted that there are no guarantees in the future with little league so no guarantees of a long term larger parking lot need, and that the existing parking area could be expanded without relocating the court. After discussion, the Board agreed the proposed budgeted funds should be used for repaving the Oak Knoll tennis and basketball courts in their existing locations.

Chair Pfeiffer will revise the budget sheets as discussed and send to the clerk for the budget publication notice. Chair Pfeiffer also stated there was one other minor change to the budget for Bridge and Culverts due to a correction to the frequency of required bridge inspections.

The Board then discussed the option to purchase the leased tractor in 2020 vs continuing to lease a tractor in 2021. Superintendent Mesdjian reported the buyout for the leased tractor is \$97,000. This is considerably less than the purchase of a new tractor even after including the cost of the original lease. He recommended the town purchase the leased tractor. Supervisor Damkoehler supports the purchase of the tractor. A new tractor is \$123,500. Supervisor Larsson agrees. Chair

Pfeiffer stated there would be approximately \$232,000 remaining in the Highway Equipment Replacement Fund after paying for the purchase. Supervisor Larsson stated less would come out of the Equipment Maintenance fund with new equipment. Chair Pfeiffer stated that since purchasing a wider mower, more can get done in less time and is more efficient than using two tractors with each taking one side of town. Other towns don't have two tractors, should the town keep the second tractor or trade it in? Supervisor Larsson stated they should trade it in, the town should get rid of assets they aren't using. Chair Pfeiffer agrees, stating putting big money on machines that are sitting most of the time is not worth it. Equipment can be rented if needed in an emergency. Supervisor Olson agrees. The value of the trade in mower is \$23,000. The total balance on the purchase of the leased tractor would be \$74,900 after the \$23,000 trade in for the second tractor. Supervisor Damkoehler and Chair Pfeiffer stated they are in favor of this. Supervisor Larsson agreed. Superintendent Mesdjian confirmed that neighboring Towns do not own two tractors and that the Town does not need two. Chair Pfeiffer stated the Town will need to authorized a transfer from the capital equipment fund for the purchase of the tractor. The Board reaffirmed agreement with the plan and agreed to place consideration of the purchase and trade-in on the agenda for a future meeting.

The Board returned to a discussion of the proposed use of ATC funds in the 2021 budget and agreed there will be no withdrawal from ATC reserves proposed, saving ATC funds for a big road project in the future, possibly Skaalen Rd which was previously estimated at \$475,000. Superintendent Mesdjian stated we may be able to add Skaalen for 2021. If prices remain as low as in 2020, bids for Skaalen Rd could come in around \$350,000.

Possible action to direct the Town Clerk/Treasurer to publish a budget summary and notice of public hearing, as available

Motion by Supervisor Larsson, second by Sup. Olson, to direct the clerk to publish the proposed 2021 budget summary. Motion carried 5-0.

Motion by Chair Pfeiffer, second by Sup. Olson, to convene into closed session at 8:00 p.m., pursuant to Wisconsin State Statutes 19.85(1)(c) "considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility." Set employee's compensation for 2021.

Motion carried 5-0 on roll call with Chair Pfeiffer and Supervisors Olson, Damkoehler, Larsson, and Bolender voting in favor.

Clerk / Treasurer Hougan and Superintendent Mesdjian left the meeting.

Discussion in closed session.

Board reconvened in open session for possible action on items discussed in closed session. Motion by Bolender, 2nd by Damkoehler, carried 5-0 on roll call vote at 8:20 p.m.

No action taken.

ADJOURNMENT: Motion to adjourn by Olson, 2nd by Bolender, carried 5-0.
Meeting adjourned at 8:21 p.m.

Maria Hougan, Clerk/Treasurer