

**VILLAGE OF SOMERS
VILLAGE BOARD
MEETING ITEM MEMORANDUM**

MEETING DATE: October 11, 2022

TO: Village President Stoner and Village Trustees

PREPARED BY: Jason J. Peters, Administrator

AGENDA ITEM: #10 2023 General Fund Budget Presentation by Administrator Peters

BACKGROUND:

The following items have been presented to the Board in various Work Sessions:

- August 2nd, Board was presented with initial proposed Sheriff's Contract that included raising the number of shifts from 4 to 5. The Sheriff's Contract was further discussed on September 6th, with direction to seek a contract with 4 shifts. On September 20th, the Board was presented with revised Sheriff's contract representing 4 shifts. The Board reviewed the updated contract at our October 4th Work Session.
- August 16th, Board was presented with Chief Andersen's proposal for adding a Deputy Chief.
- September 6th, Board discussed moving from Paid on Call Firefighter model to Paid on Premises.
- September 6th, Board was presented with preliminary allowable increases to the levy and the dollars that would be generated.
- September 6th, Board discussed potential new employment contract with Administrator Peters.
- September 13th, Board approved updated investment policy and advisory agreement with Ehlers Investment Partners to leverage cash on hand for greater returns.
- The Special Work Session of the Town Board and the Village Board was held on September 24, 2022, to discuss the 2023 budget.
- The Village Board reviewed the CIP Budget at our October 4th Work Session.

COMMENTS:

Before you tonight is the 2023 Budget. Before we start discussing 2023, it is important to reflect on the many accomplishments that have occurred in the Village/Town in the year 2022.

This was one of the busiest on record for infrastructure projects. Our sewer and water projects west of the divide were substantially completed. This included sewer and water main to the I-94 corridor, a new sewer lift station, and a water transfer station. This will serve to fuel the continued development of this area. The sewer lining project in the Sheridan Road Corridor is wrapping up. This will serve to lessen I&I in the area and the Village is beginning to see positive results. The water main project in Sheridan Road also came to a close. These mains were in desperate need of repair and will lead to significantly less calls for water issues in the area. This project also included repaving all the side roads in the Corridor. The 7th Street Lift Station and Seawall Lift Station were both completely rehabbed in 2022. This leaves only two lifts in the entire Village that need to be addressed. They will be put out to bid soon and completed in 2022.

The 2022 CIP included two major stormwater projects. The project consisted of installing a new storm sewer on 12th Avenue and replacing a storm sewer pipe from 56th Avenue to the Pike River. These were substantially completed in September.

In March, the Board awarded the bid for the CTH A & CTH Y Water Main Relay Construction Project. This project was funded by ARPA money and was substantially completed in April

In May, the Village Board awarded the bid for the 2022 Roadway Improvements Program ((22nd Street (5000 Block to Green Bay Road), 4th Street, 49th Avenue, & 5th Place, 28th Avenue (CTH KR to Termination)). This project was substantially completed in July.

In September the Board awarded the engineering work for Neumiller Phase II project. This was included in our 2022 CIP.

Development did not slow down in 2022. In late 2021, the Village approved a Developers Agreement with Becknell Industries. This project will bring a "Class A" warehousing/industrial building on approximately 50 acres (Parcel 82-4-222-192-0100). The building would be approximately 795,000 sq. ft. in area. This would be phase I of their proposed projects. Phase II of their project includes a concept plan for buildings on approximately 82 acres immediately north of Phase I (Parcel 82-4-222-183-0200). The concept plan indicates the possibility of two additional buildings totaling approximately

900,000 sq. ft. feet. Phase I is now completely vertical and making great strides towards being completed in 2023.

In late 2021, the Village approved a Developer's Agreement with HSA Acquisitions to bring a "Class A" warehousing/industrial building to approximately 65 acres (Parcel 82-4-222-194-0200) located off of CTH S. The buildings total square footage to be approximately 905,000 sq. ft. They have begun their grading and should go vertical in 2023.

In early 2022, First Industrial informed the Village of their plans to bring a third building (building D) to the site. The proposed building will bring another approximately 450,000 sq. ft of space to First Park 94. The project was approved in May and is now vertical and enclosed.

In June, the Village approved a Developer's Agreement with Flint Development to bring a "Class A" warehousing/industrial project to approximately 130 acres (Parcels 82-4-221-131-0203, 82-4-221-131-0301, 82-4-221-131-0210) located west of the I on CTH E. These parcels are located in the Paris/Somers Growth Area. The project would bring three buildings totaling 1.9 million sq. ft. of warehousing/manufacturing space. This the first project to be approved in the growth area. They have begun their earthwork and in October the work their offsite public utilities will be awarded.

In October, the Village approved a Developer's Agreement with Stream Realty to bring a "Class A" warehousing/industrial project to approximately 90 acres (82-4-222-194-0101, 82-4-222-301-0030, 82-4-222-301-0040, 82-4-222-301-0050) located on CTH S. . Phase I would bring a 612,252 sq. ft building. Phase II would bring two smaller buildings. In total, the Project would bring three buildings totaling 935,000 sq. ft. of warehousing/manufacturing space.

In May, the Village approved a Chipotle Mexican Grill Restaurant in Somers Market Center. This project is now under construction. A Mister Car Wash was reviewed by the Board in August, and we expect to bring this to the Board by the end of the year for approval. In 2022, new a multi-tenant building anchored by Taco Bell received occupancy and as well as a Dunkin Donuts.

The Kwik Trip Travel Center at the Highway S exit of I-94 held its grand opening in August. The 12,000-square-foot convenience store is the largest Kwik Trip in the state. It features 10 fueling stations, 120 stalls for truck parking, nearly 100 parking spaces, showers and laundry facilities and a certified scale for trucks.

The Pritzker Archives & Memorial Park Center main building is now enclosed and should open up to the public by late 2023 or early 2024 according to Pritzker officials. The concept plans for Midwest Firearms Education and Training Center, which will

include an indoor firearms range will be reviewed by the Plan Commission in October. Upon completion, this development will serve as a gateway to the Village

Residential development also moved forward in 2022. The Savannah at Pike Creek multi-family project (CTH L and STH 31) began their utility work in 2022. They are now currently mass grading their site. Diamond Estate of Somers, LLC (formerly BluePaint Development LLC)'s multi-family project on Sheridan Road was approved in April. The Village continues to strive to bring single family housing to the Village. Over the past year the Plan Commission and the Board have reviewed several concepts. The major hurdle still seems to be labor costs, materials costs, and infrastructure costs.

On February, Engineer Snyder and Administrator Peters met with DNR staff to review the proposed approval of our Water Diversion application. Our application was formally approved on February 23rd

After almost 2 years, the Village received the PSC's as to the rates that will be required by the PSC. As you will recall, a major delay in this matter was due to the fact that the PSC had originally stated that the Village needed to refund almost \$500,000 in impact fees. The Village was ultimately successful in arguing our position that these fees did not need to be refunded. The PSC determination is that the overall rate increase must generate an additional \$415,322 in revenue. This represents a 35.68% increase in the overall existing rates. The rate set by the PSC also factors in a reasonable net rate of return of 5.6%. The Village also requested that this rate be lowered to lessen the impact on our customers. This was also denied. The rates took effect in June. Resident's were notified through website posts, our newsletter, and a direct mailing to customers.

Upgrades to the office space in Village Hall continued in 2022. New furniture was installed the Clerk/Treasurers' office. This allowed the current furniture to be used to create a new Municipal Court Office. In late 2021, the lobby was repainted. In 2022 our new Somers mural was installed in the lobby, as well as carpeting. This has served to make the lobby a more inviting place for our residents and guests.

We continue to promote efficiencies in operations. The Village continues to work with eCode.. The eCode is more user-friendly way to access our municipal codes. Staff also continued to work with Brightly Software (formerly Dude Solutions) to implement our Public Works/Utilities software package. This package is now being implemented by Public Works staff. Foreman Kreye put a large amount of time into this project and should be commended for his desire to get this implemented.

In 2022, the Village contracted to update their GIS/GPS system. Aryes has completed the field work and now working Baxter Woodman to verify the data.

In 2022 Trustee Nelson and Administrator Peters began work on our Zip Code Boundary Review submission to the Postal Service. Administrator Peters reached out to several communities around the country that have been through this process. Our resolution will be brought to the Board in October. We are also hoping that this can be accomplished through federal legislation.

The Village continues to collaborate with Root-Pike WIN on water quality and water storage issues.

In 2022 the Village took possession of our MERV/brush fire truck and ambulance for the Fire Department.

The Village worked with Ehlers on the issuance of our 2022A borrowing. This borrowing was for the Becknell Offsite Water Main Project and for the First Park 94 Phase II water main project.

Trustee Ostby and Staff work together to present the Village's first ever investment policy. Based on the passage of this policy, was engaged as our financial advisor to earn greater yields on our investments.

The Village renegotiated their contract with Sheriff's Department for law enforcement services in 2023. Their will be 4 shifts on for the year.

The Village has negotiated with Somers Firefighter/EMT Employees Local 4831, IAFF over the past year. Their contract will be brought in near future.

Staff worked with representatives from Andrea Orendorff, LLC to complete the 2021 audit. We have the draft and are awaiting the final statements.

2022 brought a new challenge to the Village/Town. Like many industries we experienced turnover in our Staff. During this period, we have brought on a new Clerk/Treasurer, Accounting Manager, Accountant I, Clerk I and Assistant to the Administrator. These individuals have been hired through traditionally advertising and the use of a search firm. Each new hire has brought a fresh set of eyes to their position. This transition has also led to staff taking the time to better document how tasks are performed.

Clerk/Treasurer Baker was hired as Clerk I in late 2021. In May she was promoted to her current position. Over this past year, Clerk/Treasurer Baker has taken numerous courses to assist her in her new role. She has guided the Village and Town through four elections in 2022. Clerk/Treasurer Baker has taken every challenge head on and has been a wonderful addition to the Village/Town.

The promotion of Clerk/Treasurer Baker led to the need to hire a new Clerk I. Clerk I Bartolai was hired in July and brought a wealth of knowledge regarding the assessment process. She has also dramatically improved our system on tracking code violations.

In late 2021, the Municipal Court brought on a new Municipal Court Clerk. Clerk Keisler came to the Village with both the private and public court experience. She has new systems and is excellent in making sure court fines do not go unpaid.

In May, the Village hired Accounting Manager Ealy. Ms. Ealy has worked as an accountant in both the private and public sectors. She came into the Village during audit and budget time and has had to learn a tremendous amount in a short period of time. Accounting Manager Ealy's work ethic is second to none and we are very lucky to have found her when we did. Her documentation of each of her processes will help future staff members understand the "how and why" of the Village finances. She has also taken on the role of a Deputy/Clerk Treasurer. Without the hard work of Accounting Manager Ealy this year's budget would not have been possible. She has been a welcomed addition to the Village/Town.

In June, the Village hired Accountant Kelly. Ms. Kelly also brings a wealth of knowledge of private and public sector accounting. She has taken over our payroll system and implemented more efficient ways to complete this essential process. During the budget process Accountant Kelly conducted a "deep dive" of all our recurring expenses and was essential in creating the budget you see before you. Ms. Kelly has also planned team building lunches and is organizing off site get togethers. She has been a welcomed addition to the Village/Town.

Fire Chief Benjamin Andersen recently celebrated his one-year anniversary in his role as Chief. He has been a member of the Fire Department since 2014. Chief Andersen is excellent at keeping Administration, staff and the Boards informed as to the events taking place in the Village/Town. The Chief has helped negotiate a new bargaining agreement, instituted new billing rates, and was instrumental in creating the budget you see before you. Chief Andersen's dedication to health, life, safety, is evident by the number of hours he puts in and the Village/Town is lucky to have him.

The Village of Somers Fire and Rescue Department employees deserve our thanks for providing EMS and fire services 24 hours a day 365 days a year. The ten full-time Firefighter / EMT-I12 or Firefighter / Paramedics and part-time Paid on Call / Firefighters continue to see an increase in call volume each year. In February Brandon Dzibinski was promoted to full-time.

The Village of Somers Department of Public Works members deserve to be recognized for all their hard work. 2022 was a very busy year for Public Works. The sewer and

water projects west of the divide were completed in 2022. The water and sewer work in the Sheridan Road corridor is also wrapping up. Our Public Work is small crew, but they continue to meet every challenge they face in a timely manner.

Public Works Superintendent Jerry Smith remains committed to facilitating the day-to-day operations of the Public Works Department. Jerry and his department have been tasked with many projects this year. Mr. Smith has been working closely with Foreman Kreye to ensure that he knows all the ins and outs of Somers. Jerry's continued commitment to the department deserves our recognition and praise.

Building Inspector Russ Nolan continues to run a building department that increases in activity every year. He performs a plethora of duties from issuing permits to performing building inspections and building violations. He deserves our thanks for his dedication to building safety.

Utility Clerk Helen Siferd has been a dedicated employee to the Village for over twenty-nine years. Helen is instrumental in many operations that are essential to the Village. She remains extremely helpful during the Clerk/Treasurer transition process. Ms. Siferd is also the behind getting staff many of the numbers incorporated into our utility budgets. She was instrumental in creating materials to inform our water customers of the new PSC water rates. Her knowledge, versatility, conscientiousness, and dedication deserves our praise.

Accounts Payable Clerk Janet Martin, has been a committed employee. Ms. Martin assists the front office with many duties and handles all the Village's Accounts Payable. Ms. Martin has been a huge help in the transition to our new clerk and accounting staff. Her dedication to the public deserves our praise and recognition.

In September the Village welcomed our it's new Assistant to the Administrator Ryan Vishaway. Mr. Vishaway is an Army veteran and was formerly with Congressman Steil's office. He is very familiar with Somers and has jumped right into his new position.

Communications Specialist Kevin Poirier continues to do an excellent job for both the Town and the Village. Mr. Poirier creates web-content, makes sure our minutes, packets, and agendas are online, takes professional pictures, and attends all meetings to make sure he knows what is going on in our community. In addition to these duties, he publishes our quarterly newsletters. His collaboration and dedication deserve our thanks.

President Stoner continues his dedication in assisting with development and infrastructure projects. President Stoner also works closely with our Sheriff's department to help ensure our streets are safe. He deserves recognition for his daily commitment to growth in the Village.

Chairman Molinaro continues to look out for not only the Town's best interests, but also the Village. Chairman Molinaro is always on the lookout for ways we can make our communities a better place for our residents. He deserves recognition for his daily commitment to a better Town, Village and County.

Members of the Village / Town Board continue to be strong advocates for the Somers community. Each and every member assists Administration in their own unique way and truly go above and beyond for both communities. Some of the areas of focus have been on development standards, health/life/safety, financial policies, and a commitment to securing our own zip code. The time put into these areas is extremely helpful to staff and we thank you for your efforts.

The Board of Appeals members did not meet in 2022, but members are committed to meeting when necessary.

The Town Board of Review met in July. The Village Board of Review met in August. A revaluation was held in 2020, so 2022 was a maintenance. No one appeared at either Board of Review meetings.

The Fire Commission met frequently throughout 2022. They were proactive in suggestion on staffing and the hiring of Brandon Dzibinski. Their time and hard work have helped guide this department for the future.

The Plan Commission meets monthly to discuss proposed project and development in Somers. They spend a large amount of time going over large packets of materials. The Plan Commission has been instrumental in development that has occurred. 2022 was another busy year for the Plan Commission. They have reviewed over 3 million sq. feet of industrial/warehousing project. These projects will be welcome addition the Village's tax rolls in the future!

Given the challenges that the Village/Town faced in 2022, Administrator Peters is very proud of our Staff and cannot thank them enough for their hard work. Administrator Peters would also like to thank our Boards and Commission for all the support and understanding we have received over this past year.

2023 GENERAL FUND BUDGET OVERVIEW

ESTIMATED VILLAGE ASSESSMENT AND MILL RATE

2022 Assessed Value-Preliminary

- The 2022 assessed value for the Village is \$976,060,500
 - This is an increase of \$9,612,700, or .099% percent in assessed value from 2021.
 - Also, this amount doesn't include manufacturing, which is done by the Department of Revenue.
- The 2022 assessed value for the Town is \$89,324,200. This is a decrease of \$1,343,600.00 or 1.48 percent in assessed value from 2021.
- Final assessed values are not confirmed by the Department of Revenue until mid-October.

2022 Proposed Levy

- The General Fund levy is proposed at \$3,640,862.38. This is an increase of \$50,622.38 from 2021.
- The debt levy is proposed at \$1,132,354.31. This is a decrease of \$20,518.89 from 2021.
- The total proposed tax levy is \$4,773,216.69. This is an increase of \$30,103.69 from 2021. The increase equates to an overall increase of 0.63% .
- The Village portion of the levy comprises 91.65% of the levy at \$ \$4,353,600. This is an increase of \$100,611.75 from 2021.
- The Town portion of the levy comprises 8.35% of the levy at \$419,617 This is a decrease of \$70,509 from 2021.

2022 Proposed Village Tax Rate- Preliminary

- The proposed Village tax rate is estimated at \$5.31 per thousand of assessed value. This is a decrease of \$0.03 per thousand from 2021.

| Village Tax Rate based on 1.41% increase in Levy | | |
|---|-------------|--|
| 2022 | 5.31370 | |
| 2021 | 5.34359 | |
| Cost for Village Taxes for \$200,000 Home | | |
| 2022 | \$1,062.74 | |
| 2021 | \$1,068.72 | |
| Difference | \$ (5.98) | |
| Cost for Village Taxes for \$275,000 Home | | |
| 2022 | 1461.266375 | |
| 2021 | \$1,469.49 | |
| Difference | \$ (8.22) | |
| Cost for Village Taxes for \$300,000 Home | | |
| 2022 | \$1,594.11 | |
| 2021 | \$1,603.08 | |
| Difference | \$ (8.97) | |
| Cost for Village Taxes for \$350,000 Home | | |
| 2022 | \$1,859.79 | |
| 2021 | \$1,870.26 | |
| Difference | -\$10.46 | |
| Cost for Village Taxes for \$400,000 Home | | |
| 2022 | \$ 2,125.48 | |
| 2021 | \$2,137.44 | |
| Difference | \$ (11.96) | |

2021 Proposed Town Tax Rate

- The proposed Town tax rate is estimated at \$5.49 per thousand of assessed value. This is an increase of \$0.09 per thousand from 2021.

| Town Tax Rate based on 1.41% increase in Levy | | | |
|--|------------|-------------|--|
| | 2022 | 5.48705 | |
| | 2021 | 5.40573 | |
| Cost for Village Taxes for \$200,000 Home | | | |
| | 2022 | \$1,097.41 | |
| | 2021 | \$1,068.72 | |
| | Difference | \$ 28.69 | |
| Cost for Village Taxes for \$275,000 Home | | | |
| | 2022 | 1508.937668 | |
| | 2021 | \$1,469.49 | |
| | Difference | \$ 39.45 | |
| Cost for Village Taxes for \$300,000 Home | | | |
| | 2022 | \$1,646.11 | |
| | 2021 | \$1,603.08 | |
| | Difference | \$ 43.04 | |
| Cost for Village Taxes for \$350,000 Home | | | |
| | 2022 | \$1,920.47 | |
| | 2021 | \$1,870.26 | |
| | Difference | \$50.21 | |
| Cost for Village Taxes for \$400,000 Home | | | |
| | 2022 | \$ 2,194.82 | |
| | 2021 | \$2,137.44 | |
| | Difference | \$ 57.38 | |

- The reason for the increase is for the adjustment to the configuration formula per the Intergovernmental Agreement between the Town and Village which calculates the percentage of the respective levies based

on assessed value not including the Tax Increment values in the Village.

Key changes in revenue from 2022 budget to 2023:

- Taxes increased by \$50,622
 - Contributing factors:
 - Village levied property taxes increased by \$101,351
 - (101-41000-41111)
 - Town levied property taxes decreased by \$50,729
 - (101-41000-41112)
 - Continued use of Ravine Park's voluntary donation \$80,000
 - (101-42000-42180)
 - Note: The Development Agreement with Ravine Park requires a voluntary payment to the Village. The annual payment to the Village equates to half of the property tax incremental revenues from the residential component of the property for the previous year.
 - In the 2022 Budget the Board allowed the utilization of \$77,000 in the general fund budget based on the amount that the Village would receive through property taxes upon the conclusion of the voluntary payments.
 - If the Board allows this to continue the estimated calculation is as follows:

| | | |
|--|------------------|--|
| Assesd Value Parcel 1 | \$ 26,863,500.00 | Parcel #82-4-222-104-0331 |
| Assessed Value Parcel 2 | \$ 3,934,200.00 | Parcel #82-4-222-104-0335 |
| Total | \$ 30,797,700.00 | |
| Less Base Value | \$ 131,000.00 | |
| Total Taxable Assessed Value | \$ 30,666,700.00 | |
| Total Estimated Taxes | \$ 530,978.88 | Divide by 1000 * Proposed Mill rate |
| Voluntary Payment to Village 1/2 of Estimated Taxes | \$ 265,489.44 | |
| | | 5.31 Village Mill rate divided by Total Estimated Mill Rate of 17.31 = Village Portion of Taxes is 31% |
| Village Portion to Budget | \$ 82,301.73 | Then Take our 1/2 times percentage |

- Administration is comfortable recommending the utilization of \$80,000 (101-42000-42180) in the general fund budget based on the amount that the Village would receive through property taxes upon the conclusion of the voluntary payments.
- Intergovernmental revenues increased by \$68,901
 - Contributing factors:
 - Payment for Municipal Services increased by \$60,000
 - (101-43000-43691)
 - Note: Village pay out 90% to City of Kenosha (accounted for in expenditures)
 - State Shared Revenue increased by \$1,111
 - (101-43000-43410)
 - Note: At this time State Shared Revenue is based on estimate received in mid-September. State representatives have been promising an increase. At this time, we have budgeted estimated amount received from DOR.
- Licenses and Permits revenue increased by \$22,655
 - Contributing factors:

- Building permits increased by \$242,212
 - (101-44000-44300)
 - Note: The Village has averaged \$180,000 in permits over the past few years. In 2022, we budgeted \$180,000 and thus far we have brought in \$506,000. This has been driven by industrial development in our TIDs. Per our September 24th Work Session, these projected revenues have been increased to amount needed to balance this Budget.
 - Administration believes the actual revenue from building permits in 2023 will exceed \$500,000. This is based on HSA possible permits, Flint Development possible permits, Stream Realty possible permits, and Savannah at Pike Creeks possible permits. Three of these developments are currently grading their sites and we expect them to pull permits to go vertical in late 2022 or early 2023.
 - Given the extraordinary circumstances we have faced in this budget with increasing in Public Safety and our levy limit, we feel this is a prudent way to move forward without dramatic cuts to services. Administration fully realizes that revenues from Building Permits cannot be guaranteed at this level in the future and be counted on to continue to fund operations, but we have confidence that these projects are moving forward.
- Fines and Forfeitures increased by \$4,975
 - Contributing factors:
 - Court Penalties increased by \$5,000
 - (101-45000-45100)
 - Note: Average yearly revenue is \$115,000. 2023, will represent the first time we will have 4 deputies for an entire year. Court is comfortable with the revenue being budgeted at \$110,000. This amount represents the Village's portion of fines that are received.

- Public Charges for Services increased by \$132,890
 - Contributing factors
 - Fire and Rescue Service increased by \$195,000
 - (101-46000-46220)
 - Note: This revenue is based on Chief Andersen's proposed increase in fees, Lifequest collecting more in first tier, and increased number of calls. These numbers have been generated with input from Lifequest. Also note that while this revenue is estimated at \$820,000, the Village accounts for an uncollected allowance for doubtful accounts (101-46000-46290) at 40%. This is represented at \$328,000. Net positive to the Village of \$492,000.
 - Fire Inspection Fees increased by \$18,000
 - (101-46000-46221)
 - Note: These are fees charged by the fire department for plan review, new building fire inspections and fire code reinspection fees. Projected by Fire Chief and Fire Inspector.
- Miscellaneous Revenue increased by \$202,104
 - Contributing factors
 - Interest income increased by \$190,000
 - (101-48000-48110)
 - Note: In August we had \$28,000 in interest (without investment policy in place) If you figure, \$28,000 per month for 12 months = \$336,000. General Fund get 77%. Which equals \$240,000. Staff backed out \$40,000 to be conservative and due to fluctuations in bank balances, not all months would generate \$28,000. Based on the fact, that the Fed raised the interest rates 75 basis points on

September 21st, have also indicated that this rate will be raised again, and we will be investing dollars with Ehlers staff is confident that this is a very conservative number. Board could choose to raise this revenue line to close the gap in coordination with Building Permits.

- Continuing Appropriations
 - Per our September 24th Work Session this \$86,000 has been added to use fund balance to cover the succession plan for our retiring public works employees.
- **Total Revenues in the 2023 budget totals \$6,131,445.10. This represents an increase over 2022 by \$794,859.10**

Key changes in expenditures from 2022 budget to 2023:

- Overall
 - Village health insurance premium increased by \$72,300 over all funds
 - 3% percent pay increase for non-contract employees.
 - Note: Administrator contract is not finalized. In the budget number is estimated at \$5,000 increase for 2023
 - Added Deputy Chief Position at salary of \$85,000. Total compensation increase to budget would be \$134,000.
 - Fire/EMS contract also needs to be finalized. This budget represents a 2% increase in salaries for 2023 based on negotiations. Overall increase \$13,000. Increase requested for 2024 is 4% and 2025 is 3%. This averages out to 3% per year over the life of the contract. This contract will be brought to the Board in a future work session.
 - Liability and Property Insurance premiums increased by over all funds of \$80,000. This is mainly due to our worker's comp insurance mod.
- Municipal Court expenditures decreased by \$11,000
 - Contributing factors

- Health Insurance line decreased by \$11,000
 - (101-56910-50203)
 - Note: Due to change in plan election.
- Village/Office Expenditures decreased by \$4,000
- Clerk/Treasurer expenditures decreased by \$17,000
 - Contributing factors
 - Driven by decreased in Clerk/Treasurer contract over 2022
- Elections expenditures decreased by \$17,600
 - Contributing factors
 - Driven by the fact that there will be fewer elections in 2023
- Other General Government expenditures increased by \$82,000
 - Contributing Factors
 - Increase in Liability and Property Insurance and staff added a traditionally unbudgeted amount for uncollectable taxes (101-51910-50802) of \$5,000 and other contracted services (101-51910-50409) of \$6,000
- Payments for Municipal Services increased by \$54,000
 - Contributing factors
 - Village pay out of revenue from 90% to City of Kenosha. This line accounts for this amount.
- Law Enforcement increased over budget amount \$120,610
 - Contributing factors
 - Actual contract price increased 18.9% to \$122,740. This is the contracted amount for 4 full time shifts.

- (101-52100-50406)
- Fire Department expenditures increased by \$441,600
 - Contributing Factors
 - Driven by salary increases and health insurance increases
 - Added Deputy Chief position at a cost of \$134,000
 - Proposed change from strictly Paid on Call to Paid on Premises at an additional budget cost over 2022 of \$192,000
 - (101-52210-50103)
- Public Fire Protection expenditures increased by \$21,300
 - Contributing factors
 - Driven by PSC rate case increase
 - (101-52230-50609)
- Public Works expenditures increased by \$87,000
 - Contributing factors
 - Driven by Public Works expects to have two retirements at the end of 2023. Administration is requesting that a new hire be added on January 1st to train in with current staff and another to be added on July 1st. Per our September 24th Work Session these hires been added into the budget and paid for as a Continuing appropriation to be paid with fund balance.
- Solid Waste expenditures increased by \$31,100
 - Contributing Factors
 - By contract, Johns can raise their tipping fees by the CPI. The original number provided for the CPI increase was 8.6%.

Administrator Peters requested that this number be lowered.
 Johns came back with a total increase in tipping fees of 6.69%

| The Town and Village of Somers | | | | Revised |
|--------------------------------|----------------|----------------|---------------|--------------|
| 9/15/2022 | 2022 | 2023 | increase | 9/15/22 |
| Garbage | \$9.48 | \$10.10 | \$0.62 | 6.5% |
| Recycle | \$4.72 | \$5.05 | \$0.33 | 7.0% |
| Total | \$14.20 | \$15.15 | \$0.95 | 6.69% |

- **Total Expenditures in the 2023 budget totals \$6,131,445.10. This represents an increase over 2022 by \$794,859.10.**

Other Key Points

- The overall increase in equalized value for Tax Increment Value in 2022 is \$9,569,500.
- The Village Tax Levy consists of General Fund (Fund 101) operating costs and Debt Service payments (Fund 301).
- Staff has created a Budget Booklet containing detailed information used to determine both costs and revenues. A hard copy is available by request.
- The electronic version of our Budget Spreadsheet now includes notes for each line that define how each number is generated. Staff hopes that this will serve to prevent the loss of “institutional knowledge” on what each budget line entails.

CAPITAL IMPROVEMENT PLANS:

2023 proposed CIP projects are listed below by funds. The CIP request forms were presented to the Board at our October 4th Work Session. At this meeting, the Board discussed bonding for the Somers Estate’s paving project. This has been moved to borrowing in the CIP consolidated worksheet.

Staff have also removed several requests. They include:

Parks:

| | |
|----------------------|----------|
| Bleacher Replacement | \$15,000 |
| Parking Addition | \$75,000 |

Fire

| | |
|---|----------|
| Equipment Trailor | \$35,000 |
| Autoload Stretcher | \$28,000 |
| Light Towner | \$40,000 |
| Extrication Equipment lowered from \$85,000 to \$60,000 | |

Total proposed requests for General Fund CIP are \$2,606,100.

General Fund CIP:

Project details are listed below by departments:

- Total requested for Paving is \$1,500,000. Item requested is as follows
 - Somers Estates \$1,500,000
 - Funding Source Borrowing
- Total requested from Public Works is \$280,000. Item requested is as follows:
 - Replacement of 2001 JBC Backhoe \$280,000
 - Funding Source Cash
- Total requested by Public Safety is \$622,000. Items requested are as follows:
 - Battery Powered Ventilation Fans \$20,000
 - Chief Command Vehicle \$100,000
 - Impact Crash Absorption Trailer \$35,000

| | |
|---|-------------|
| ○ Van to replace current inherited Public Works Van | \$75,000 |
| ○ Drone | \$35,000 |
| ○ EMS Supply Inventory Control System | \$27,000 |
| ○ Extrication Equipment | \$60,000 |
| ○ Inflatable Fire Safety House | \$15,000 |
| ○ Plymovent Exhaust Removal System | \$70,000 |
| ○ SCBA Replacement Program | \$60,000 |
| ○ Thermal Imagine Camera | \$25,000 |
| ○ Replacement of UTV | \$100,000 |
| ○ Light tower (6312) | \$40,000 |
| ○ Funding Source | Cash |
| • Total requested by Administration is \$204,100. Items requested are as follows: | |
| ○ Office Improvements | \$36,100 |
| ○ Village Buildings HVAC repairs | \$13,000 |
| ○ Mobile Radar | \$15,000 |
| ○ Auditorium Audio/Video | \$120,000 |
| ○ Replacement Computer Plan | \$20,000 |
| ○ Funding Source | Cash & ARPA |

The above General Fund CIP would be funded as follows:

- \$1,500,000 in bonding
- \$986,100 in cash

- \$120,000 in ARPA Funds
- A major topic of discussion every year is the use of one-time contributions to fund these projects. Below is a snapshot of the onetime contributions from 2020, 2021, and 2022. Along with projections for possible amounts in 2022 and 2023.

| One Time Contributions in 2022 | | One Time Contributions in 2021 | | One Time Contributions in 2020 | |
|---------------------------------|-----------------|--------------------------------|---------------|--------------------------------|---------------|
| Market Lane Chipotle | \$ 14,863.15 | Dunkin Donuts | \$ 21,635.85 | Jiffy Lube | \$ 10,174.98 |
| Becknell 49 acres | \$ 390,798.80 | Taco Bell | \$ 37,350.85 | Oakfire | \$ 30,319.22 |
| Eagle Chateau | \$ 4,590.00 | Kwik Trip | \$ 75,000.00 | JR2 Investors | \$ 4,590.00 |
| Flint Building 3 Lot 4 | \$ 260,219.38 | Houtz | \$ 4,590.00 | Lake of Somers | \$ 36,720.00 |
| Flint Building 1 lot 1 | \$ 375,593.93 | Popeyes | \$ 19,981.45 | Golden Oil -22nd Ave | \$ 29,471.65 |
| | | Pritzker | \$ 36,260.00 | Parkview | \$ 215,640.00 |
| | \$ 1,046,065.26 | | \$ 194,818.15 | | \$ 326,915.85 |
| Possible in 2022 or 2023 | | | | | |
| Flint Building 2 lot 2 | \$ 359,263.54 | | | | |
| Mister Car Wash | \$ 42,506.00 | | | | |
| Darby | \$ 510,742.80 | | | | |
| Savannah | \$ 370,000.00 | | | | |
| Park 94 | \$313,600.00 | | | | |
| Carthage College | \$23,738.15 | | | | |
| | \$ 1,619,850.49 | | | | |

- As you will note, the 2022 contributions will cover the requested cash items in 2023

ARPA

- Accounting Manager Ealy has provided a breakdown of both the Village and Town’s received and allocated ARPA Funds. As you will note the Town’s funds have yet to be allocated and the Village has an unallocated amount remaining of \$423,860.
- Administration is proposing the following for the use of these “unallocated” funds:
 - Town

- \$119,008 to be used for audio/visual upgrades to auditorium.
(noted above in Administration CIP requests)
- Village
 - \$225,000 to be used by Water Utility for Water Meter AMR replacement program
 - Leaving a balance of \$198,860

Sewer Fund CIP:

- Total proposed requests for Sewer Fund CIP are \$1,751,000. Items requested are as follows:
 - Eaglewood Lift Station capacity increase \$750,000
 - This was moved from 2022 to 2023 (possible 2022)
 - Lichter Lift Station \$750,000
 - This was moved from 2022 to 2023 (possible 2022)
- I&I Replacement/Repaid Program \$200,000
 - This is listed each year and it is up to the Board if they would like to leave it in 2023 or not.
- Replace 2008 Chevrolet 1500 Pickup \$51,000
 - 2022 CIP item, ordered in 2022 but due to supply chain will not be 2022 expense. Expense expected in 2023

Water Fund CIP:

Total proposed requests for Water Fund CIP are \$225,000. Project details are listed below:

- Water Meter AMR Program \$225,000

- Staff is recommending the use of ARPA funds to upgrade water meters to radio reads. This will save significant staff time when it comes to quarterly meter readings.

Stormwater Fund CIP:

Total proposed requests for Stormwater Fund CIP are \$115,000, which all are listed as cash. Project details are listed below:

- Greenbay Road Mueller Parcel \$40,000.
- Gitzlaff Phase II \$50,000
- Pond Sediment \$25,000

KR Sewer District:

- Administration does not foresee any capital items needed for the KR Sewer District in 2023.

TID CIPs:

- With the completion of the major sewer and water infrastructure west of the sub-continental divide, Administration does not foresee any projects in any of our 11 TIDs in 2023. Any public infrastructure needs in 2023, as of the date of this memorandum are developer funded.

The General Fund budget as presented is balanced. It includes the necessary basic services for the citizens of Somers. The Board can make any changes. Any additional expenses must be paid with additional revenue dollars or cuts in other programs.

Administration had ordinarily planned to hold the Public Hearing on the entire budget on November 9th. As previously stated to the Board, certain journal entries need to be made to correct all our enterprise fund balances. As of the date of this memorandum the majority of these have been accomplished. Administration will bring all funds to November 1st Work Session. The Public Hearing for the 2023 Budget is scheduled to take place at 5:30 PM on November 22, 2022.

ATTACHMENTS:

Proposed 2023 Budget



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2023 CIP Spread sheets

General Fund CIP Request Forms

Summary of Town ARPA funds

Summary of Village ARPA funds

Authorized Positions