

MINUTES TOWN OF HULL 2020 BUDGET HEARING/
SPECIAL TOWN MEETING/BOARD MEETING HELD
ON THURSDAY NOVEMBER 14, 2019

Call to order by Acting Chair David Pederson at 6:30 p.m. at the Hull Municipal Building, 4550 Wojcik Memorial Dr., Stevens Point, WI 54482.

Present: Chair Pederson, Supervisors Dave Wilz, Jan Way and John Koshnick.

Excused: Chairperson John Holdridge

Others present: Clerk Janet Wolle, Treasurer Jim Kruziki and Fire Chief Ken Sadogierski.

Hull Budget Town Meeting prepared/presented by Supervisor Wilz

History

The 2020 budget will be in year nine with the influences of the Governor's Budget Repair Bill and Act 10. This became effective in July 2011. Prior to these bills taking hold, the Town of Hull had already steadied tax levies and no increase had really occurred for 3 years prior to the 2011 legislation. This equates to 11-12 years of no increase to Hull's levy to support the base operational budget. So depending on how one looks at and measures this, it is safe to say, that we have been fiscally challenged more than most because we have been frugal in the past.

Process for 2020 Budget and Other Highlights

- 2020 budget preparation saw the following process. Normal operating base budget items were separated from one time or special requests. All departments were then given a zero based directive to not allow their budgets to grow from the previous year including wages and benefits. If additional dollars were needed for new items, cuts in other line items needed to be done to offset the increase in spending where ever possible. This strategy allowed for some flexibility and new priorities could be addressed. There were some areas that zero based budgeting could not work such as Sanitation where contractual increases had to be absorbed. The Sanitation increase was approximately \$6,012.
- This budget reflects a 2.07% increase in wages/gratuities for all town employees, fire department, EMS and elected officials, with the exception of the town board. This figure percentage comes from an index identified by the State and is the maximum allowed by Act 10. Benefit cost increases (health insurance) rose by 4.23%. These labor and insurance costs were offset by cuts to the budgets in the department that generated the increases. The total approximate increase to these two costs was \$14,881.

- This budget contains a 10% increase or an additional \$230 per mile in our state road aids which equates to another \$19,330 in total for our 80 plus miles of roads. This is the first substantial increase in years.
- A Non-Reoccurring Request list was established and kept separate for planning and decision making purposes from the base budget. This list contains one time requests or non-reoccurring expenses related to projects, replacements of equipment or services that are not part of the normal operating budget. They are usually under \$50,000. Examples might include a new copy machine, unexpected repair of a bridge, etc. This year's initial requests exceeded \$95,950. The board modified these requests by putting some projects on hold, reducing the amount requested, asking for a needs study on others or perhaps allowing the request if existing normal budget could absorb. \$46,150 was approved in this budget from dollars leftover after the base budget items are paid for.
- This budget reflects large project and large capital equipment expenditures that are anticipated. A new tandem patrol truck was approved and ordered. The truck will be finished in early 2020. A fire department equipment and building study needs to be completed in 2020 hopefully before the end of spring. A roads equipment study needs to be completed along with an overall roads study. We need to take a longer approach to planning and this is the year for that. The results of these studies may require additional borrowing for building repair, equipment and road improvements. All these known and other potential borrowing actions and the payments related to them, would likely be added to the debt portion of the mill rate in 2020 and future years, which is the only way the tax levy can be increased other than net new growth or a referendum.
- This budget contains a \$57,500 amount for general contingency. This is a "just in case" dollar item that is available if something unexpected comes up or if we over spend in the current budget. It represents about 3.0% of operational revenue.
- This budget reflects a \$59,251 excess. (Revenues minus expenses)

Reassessment Results

The Town of Hull went through a reassessment his past year. The process was completed during the summer. The last time the reassessment process took place was in 2007. The State of Wisconsin requires reassessment take place when property values change and maintain over a certain percentage for a period of time. The Town of Hull was in that situation so the process needed to happen in 2019. Reassessment generally increases the property value but the mill rate generally decreases. In fact, unless there are budgetary needs that require increase to the Town of Hull levy, most property owners will see little or no changes in their property tax bill for the Town of Hull. Those with modifications to their property, house or other buildings since their last assessment will probably see an adjustment to their Town of Hull tax bill that reflects those changes. Those without modification may also see an adjustment if their type of house or property is more desirable than other groups of housing and is selling at a higher average price in relationship to those other groups based on actual

sales activity. The mill rate for the Town of Hull prior to the reassessment was approximately \$3.49 per \$1,000 of assessed value. The after assessment mill rate for the Town of Hull is now approximately \$2.92 per \$1,000 of assessed value.

Tax Levy

The after reassessment Town of Hull 2019 tax rate is approximately \$2.92 per \$1,000. Based off the highlights listed so far and the increased borrowing mentioned, the Town of Hull tax rate will increase from approximately \$2.92 to \$3.09. This increase is on the debt portion of the levy and equates to an approximate \$72,265 increase in our debt payment structure. This levy increase equates to 5.82% or approximately an additional \$1.13 per month or \$25.50 per year on a \$150,000 home in the Town of Hull. This is due to new short term debt payments stemming from 2019 purchases for the new tandem patrol truck that was ordered along with the final step in preparing and structuring North Second Drive debt payments. Three referendums were passed by voters the fall of 2018 that have potential lingering cost implications for the upcoming tax bill. Town of Hull residents need to understand that Stevens Point School District, Portage County Government and Mid State Technical College have the ability to increase taxes as well in addition to the Town of Hull. A separate comparison worksheet will help guide residents to understand the approximate gross impact of these increases.

Bright Spots

Inflation remains low for the most part. We will continue to fight for local control and try to regain some of the operating tools lost with passage of Act 10.

Moving Forward

- Approve 2020 Budget, give labor increases mentioned per index formulas
- Develop large equipment planning/purchase lists, road projects and large capital projects separately from the operational budget. Have a separate plan finished prior to beginning the yearly operational budget process. (August 2020 at the latest)
- Work on a longer range remedy to overturn the mathematical challenges of Act 10. Create workable formulas. Pursue ongoing studies to save money. Continual education of staff and elected officials.
- Investigate all revenue lines for potential opportunities/provide no subsidies
- Continue to advocate for our citizens that are harmed
- Investigate health insurance plan options for the future

	Hull Resident				Increase Decrease Percentage
	Sample Tax Calculations				
	2018 Rate Per Thousand	2018 Tax Amount	2019 Rate Per Thousand	2019 Tax Dollar Amount	
11/14/2019					
<u>\$100,000 Assessed Value</u>					
State of Wisconsin	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
Portage County	\$5.22	\$522.00	\$5.26	\$526.00	0.77%
Town of Hull	\$2.92	\$292.00	\$3.09	\$309.00	5.82%
Stevens Point School Dist.	\$8.12	\$812.00	\$8.76	\$876.00	7.88%
Mid State Tech	\$0.93	\$93.00	\$0.95	\$95.00	2.15%
Total	\$17.19	\$1,719.00	\$18.06	\$1,806.00	5.06%
<u>\$150,000 Assessed Value</u>					
State of Wisconsin	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
Portage County	\$5.22	\$783.00	\$5.26	\$789.00	0.77%
Town of Hull	\$2.92	\$438.00	\$3.09	\$463.50	5.82%
Stevens Point School Dist.	\$8.12	\$1,218.00	\$8.76	\$1,314.00	7.88%
Mid State Tech	\$0.93	\$139.50	\$0.95	\$142.50	2.15%
Total	\$17.19	\$2,578.50	\$18.06	\$2,709.00	5.06%
<u>\$200,000 Assessed Value</u>					
State of Wisconsin	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
Portage County	\$5.22	\$1,044.00	\$5.26	\$1,052.00	0.77%
Town of Hull	\$2.92	\$584.00	\$3.09	\$618.00	5.82%
Stevens Point School Dist.	\$8.12	\$1,624.00	\$8.76	\$1,752.00	7.88%
Mid State Tech	\$0.93	\$185.00	\$0.95	\$190.00	2.15%
Total	\$17.19	\$3,438.00	\$18.06	\$3,612.00	5.06%
NOTES:					
* Sample Sheet does not show any Lottery Credits or School Levy Credits. Mill Rate have been rounded up or down to the nearest cent.					
* Tax bill available for payment in December of 2019 for tax year revenue of 2020.					
* State Legislature discontinued the "State of Wisconsin" tax - for the third year. (2019) This was a forestry type tax.					
* Reassessment Mill Rate used to calculate 2019 tax. 2018 recalculated and adjusted to 2019 new numbers for comparison purposes only.					

Michael and Rollene Marslender present.

- Michael is a retired assessor and stated the comments made by Supervisor Wilz relating to a reassessment and tax rates is correct
- Also stated he felt the increase in health insurance cost was very reasonable

Special Town Meeting

Chair Pederson called to order the Special Town Meeting.

Clerk Wolle – the Special Town Meeting is for the citizens of Hull present at the meeting to vote on the 2019 levy.

Motion Rollene Marslender, **approve the 2019 Town of Hull levy in the amount of \$1,382,770.** Second by Ken Sadogierski. 9 Aye – 0 Nay Motion carried.

Clerk Wolle note – 2019 levy due in 2020.

Motion Jan Way, **close the Special Town Meeting.** Second by John Koshnick. 9 Aye – 0 Nay Motion carried.

Town Board Meeting

Chair David Pederson called to order the Town Board meeting at 7:04 p.m.

Motion Supervisor Way, **approve the 2020 budget.** Second by Supervisor Koshnick. Motion carried by voice vote.

Supervisor Way – thank you to Dave Wilz and Jim Kruziki for all the work done on the budget.

Adjournment: Motion Supervisor Wilz, **adjourn the meeting.** Second by Supervisor Koshnick. Motion carried by voice vote. Meeting adjourned at 7:07 p.m.

Janet Wolle, Clerk

2020 Budget Approved

	2019 9 Month Actual	2019 BUDGET	2020 PROPOSED	CHANGE
REVENUE				
Taxes:				
General Property Taxes	\$ 1,306,179.00	\$ 1,306,900.00	\$ 1,382,770.00	5.81%
Other Taxes	25,680.00	21,400.00	17,260.00	-19.35%
Intergovernmental Rev	215,010.00	1,623,089.00	1,641,292.00	1.12%
Licenses & Permits	96,108.00	114,036.00	117,730.00	3.24%
Public Charge for Services	1,234.00	1,300.00	505.00	-61.15%
Interest on Income	12,821.00	12,000.00	15,000.00	25.00%
Miscellaneous Revenue	59,650.00	45,962.00	47,955.00	4.34%
Other Financing Sources	<u>821,358.00</u>	<u>2,990,272.00</u>	<u>159,000.00</u>	<u>-94.68%</u>
TOTAL REVENUE	\$ 2,538,040.00	\$ 6,114,959.00	\$ 3,381,512.00	-44.70%
EXPENDITURES				
Legislative Administration	\$ 34,056.00	\$ 50,080.00	\$ 50,080.00	0%
Legal Expenses	5,197.00	38,000.00	18,000.00	-52.63%
General Administration	111,608.00	155,990.00	170,060.00	9.02%
Financial Administration	78,548.00	85,308.00	35,815.00	-58.02%
General Building & Plant	17,760.00	23,500.00	25,214.00	7.29%
Other General Government	38,402.00	44,500.00	42,895.00	-3.61%
Fire Protection	48,503.00	160,292.00	160,389.00	0.06%
First Responders	1,115.00	17,998.00	17,268.00	-4.06%
Inspections	8,888.00	14,645.00	14,645.00	0%
Highway & Street Maintenance	418,567.00	536,467.00	548,831.00	2.30%
Road Related Facilities	5,456.00	7,500.00	7,500.00	0%

Sanitation	237,030.00	317,603.00	324,614.00	2.21%
Health & Human Services	15,020.00	18,632.00	25,251.00	35.52%
Other Culture	-	-	-	
Parks	19,783.00	24,683.00	21,050.00	-14.72%
Recreation Programs & Events	75.00	100.00	100.00	0%
Capital Outlay	917,304.00	2,990,272.00	159,000.00	-94.68%
Debt Service	298,612.00	1,571,425.00	1,644,049.00	4.62%
Other Financial Uses	-	<u>57,964.00</u>	<u>116,751.00</u>	<u>101.41%</u>
TOTAL EXPENDITURES	\$ 2,255,924.00	\$ 6,114,959.00	\$ 3,381,512.00	-44.70%
Town Property Taxes Levied		\$ 1,306,900.00	\$ 1,382,770.00	5.81%
Total 2020 Anticipated Expenditures			\$ 3,381,512.00	
Less: 2020 Anticipated Non-property Tax Revenue			<u>(1,998,742.00)</u>	
Amount required for 2019 Tax Levy to be paid in 2020			\$ 1,382,770.00	