

MINUTES OF THE TOWN OF HULL, COUNTY  
OF PORTAGE, WI. PROPOSED 2019 BUDGET  
BUDGET HEARING/SPECIAL TOWN MEETING/  
BOARD MEETING NOVEMBER 15, 2018

Budget hearing for Hull's proposed 2019 budget, called to order by Chairperson John Holdridge at 5:30 p.m. at the Hull Municipal Building, 4550 Wojcik Memorial Dr., Stevens Point, WI 54482.

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

Others elected officials present: Clerk Janet Wolle, Treasurer Jim Kruziki

Citizens present: Barbara Brilowski, Michael & Rollene Marslender and Mike Reid.

Presentation by Supervisor Dave Wilz

11/15/18 (Revised 12/5/18)

### **Hull Budget Town Meeting**

#### **History**

The 2019 budget will be in year eight 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 10-11 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 2019 Budget and Other Highlights**

- 2019 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. 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 \$23,400.
- This budget reflects a 2.25% 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 4.0

% . These labor and insurance costs were offset by cuts to the budgets in the departments that generated the increases. The total approximate increase to these two costs was \$12,900.

- 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 \$110,000. The board modified these request 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. \$84,800 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. In 2019, the construction phase of the North 2<sup>nd</sup>. Street Project will be started and completed. We will need to obtain a construction type loan in the building phase of this project. This could range in the 2.5-2.8 million dollar range. Once completed, we will receive a grant from the State of Wisconsin to help offset approximately 1.2 million of the cost. We will then secure a fixed interest loan for the remainder which will be 1.3-1.6 million. Our goal is to pay off that loan in seven years or less. A fire department equipment and building study needs to be completed in 2019 hopefully before the end of spring. The results of these studies may require additional borrowing for building repair and equipment. All these known and other potential borrowing actions and the payments related to them, will 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.
- This budget contains a \$57,000 amount for general contingency. This is a "just in case" dollar item that is available if something unexpected comes up or if the if we over spend in the current budget. It represents about 3.0% of operational revenue.
- This budget reflects a \$966 excess. (Revenues minus expenses)

### Tax Levy

The Town of Hull tax rate will rise from \$3.30 to \$3.49. This increase is on the debt portion of the levy and equates to an approximate \$70,000 increase in our debt payment structure. This levy increase equates to 5.76% or approximately an additional \$28.50 per year on a \$150,000 home in the Town of Hull. This is due to new short term debt payments stemming from 2018 purchases for air tanks/masks for the fire department, roof repair for fire house, engineering work for N. 2<sup>nd</sup>. St., generator for Town Hall, and salt shed roof totaling \$246,000 and some restructuring of debt to help us better prepare for the North 2<sup>nd</sup> Street project being planned and completed by the end of 2019. Three

referendums were passed by voters this fall that had cost implications. Town of Hull Residents can expect to have school taxes, Portage County taxes and Mid State taxes increase in addition to the Town of Hull. A separate comparison worksheet will help guide residents to understand the approximate gross impact of these increases. Town of Hull Residents can expect an overall increase of 9.49% in their total municipal gross tax bill. The Town of Hull portion is approximately 1.4 points of the 9.49%. The total increase of all taxing entities on a property being assessed at \$150,000.00 will be approximately \$267.00 before tax credits.

### Bright Spots

Inflation remains low for the most part. Recent changes in leadership at the state level brings an anticipation that a fresh set of eyes will look at the financial burdens local municipalities have endured and hopefully new directions will be set. We need to continue our fight for local control and try to regain some of the operating tools we have lost.

### Moving Forward

- Approve 2019 Budget, give labor increases mentioned per index formulas
- Develop large equipment planning/purchase lists and large capital projects separately from the operational budget. Have a separate plan finished prior to beginning the yearly operational budget process.
- 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.

Motion David Pederson, **close the public hearing on the proposed 2019 Town of Hull budget.** Second by Jan Way. Motion carried by voice vote.

Call to order Special Town Meeting at 5:52 p.m.

Motion Michael Marslender, **approve the town tax levy of \$1,306,900 for 2019.** Motion second by Rollene Marslender. Motion carried by voice vote.

Motion Michael Marslender, adjourn the Special Town Meeting. Second Rollene Marslender. Motion carried. Special town meeting adjourned at 5:53 p.m.

Call to order Town Board meeting at 5:53 p.m.

Motion Supervisor Way, **approve the 2019 Town of Hull Budget as summarized.** **Total budget \$5,911,743.** Second by Supervisor Wilz. Motion carried by voice vote.

Adjournment: Motion Supervisor Pederson, **adjourn the meeting.** Second by Supervisor Koshnick. Motion carried by voice vote. Meeting adjourned at 5:55 p.m.

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Janet Wolle, Clerk

	2018 ESTIMATED	2018 BUDGET	2019 APPROVED 11/15/18	CHANGE
<b>REVENUE</b>				
Taxes:				
General Property Taxes	\$ 1,250,419.00	\$ 1,236,926.40	\$ 1,306,900.00	
Other Taxes	21,460.00	21,000.00	21,400.00	
Intergovernmental Rev	393,952.00	512,716.20	1,623,089.00	
Licenses & Permits	108,604.00	105,361.00	114,036.00	
Public Charge for Services	1,691.00	1,300.00	1,300.00	
Interest on Income	11,822.00	3,000.00	12,000.00	
Miscellaneous Revenue	89,656.00	39,962.00	45,962.00	
Other Financing Sources	<u>246,000.00</u>	<u>160,000.00</u>	<u>2,787,056.00</u>	
<b>TOTAL REVENUE</b>	<b>\$ 2,123,604.00</b>	<b>\$ 2,080,265.60</b>	<b>\$ 5,911,743.00</b>	184.18%
<b>EXPENDITURES</b>				
Legislative Administration	\$ 49,891.00	\$ 52,659.82	\$ 50,080.00	
Legal Expenses	18,125.00	20,000.00	38,000.00	
General Administration	161,415.00	161,459.09	155,990.00	
Financial Administration	35,350.00	35,381.25	85,308.00	

General Building & Plant	37,015.00	23,889.20	23,500.00	
Other General Government	42,583.00	44,253.00	44,500.00	
Fire Protection	103,810.00	148,043.05	160,291.00	
First Responders	15,088.00	18,033.71	17,998.00	
Inspections	11,030.00	9,850.00	14,645.00	
Highway & Street Maintenance	537,528.00	536,124.64	536,466.00	
Road Related Facilities	7,500.00	7,500.00	7,500.00	
Sanitation	299,488.00	294,221.50	317,603.00	
Health & Human Services	17,751.00	17,700.00	18,632.00	
Other Culture	-	200.00	-	
Parks	14,435.00	22,183.32	24,683.00	
Recreation Programs & Events	50.00	100.00	100.00	
Capital Outlay	264,243.00	332,000.00	2,787,056.00	
Debt Service	279,308.00	278,213.40	1,571,425.00	
Other Financial Uses	<u>7,295.00</u>	<u>78,453.62</u>	<u>57,966.00</u>	
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,901,905.00</b>	<b>\$ 2,080,265.60</b>	<b>\$ 5,911,743.00</b>	184.18%
Town Property Taxes Levied		\$ 1,236,926.40	\$ 1,306,900.00	5.66%
Total 2019 Anticipated Expenditures			\$ 5,911,743.00	
Less: Total 2019 Anticipated Non-property Tax Revenue			<u>(4,604,843.00)</u>	
Amount required for 2018 Tax Levy to be paid in 2019			\$ 1,306,900.00	
CASH BALANCE JANUARY 1 (EXCLUDING ADVANCE TAX ROLL COLLECTIONS):				
Designated Reserves			\$ 697,390.66	

General Reserves		<u>403,494.89</u>
TOTAL CASH BALANCE JANUARY 1, 2018	\$	1,100,885.55
ESTIMATED CASH BALANCE DECEMBER 31, 2018 (EXCLUDING ADVANCE TAX ROLL COLLECTIONS):		
Designated Reserves	\$	751,187.31
General Reserves		<u>453,823.59</u>
TOTAL ESTIMATED CASH BALANCE DECEMBER 31, 2018	\$	1,205,010.90

Hull Resident  
Sample Tax Calculations

11/15/2018	2018	2018	2019	2019		Increase
	Rate Per	Tax	Rate Per	Tax Dollar		Decrease
	Thousand	Amount	Thousand	Amount	Difference	Percentage
<u>\$100,000 Assessed Value</u>						
State of Wisconsin	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
Portage County	\$5.97	\$597.00	\$5.97	\$597.00	\$0.00	0.00%
Town of Hull	\$3.30	\$330.00	\$3.49	\$349.00	\$19.00	5.76%
Stevens Point School Dist.	\$8.48	\$848.00	\$9.70	\$970.00	\$122.00	14.39%
Mid State Tech	\$1.01	\$101.00	\$1.11	\$111.00	\$10.00	9.90%
<b>Total</b>	<b>\$18.76</b>	<b>\$1,876.00</b>	<b>\$20.27</b>	<b>\$2,027.00</b>	<b>\$151.00</b>	<b>8.05%</b>
<u>\$150,000 Assessed Value</u>						
State of Wisconsin	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
Portage County	\$5.97	\$895.50	\$5.97	\$895.50	\$0.00	0.00%
Town of Hull	\$3.30	\$495.00	\$3.49	\$523.50	\$28.50	5.76%
Stevens Point School Dist.	\$8.48	\$1,272.00	\$9.70	\$1,455.00	\$183.00	14.39%
Mid State Tech	\$1.01	\$151.50	\$1.11	\$166.50	\$15.00	9.90%
<b>Total</b>	<b>\$18.76</b>	<b>\$2,814.00</b>	<b>\$20.27</b>	<b>\$3,040.50</b>	<b>\$226.50</b>	<b>8.05%</b>
<u>\$200,000 Assessed Value</u>						
State of Wisconsin	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
Portage County	\$5.97	\$1,194.00	\$5.97	\$1,194.00	\$0.00	0.00%
Town of Hull	\$3.30	\$660.00	\$3.49	\$698.00	\$38.00	5.76%
Stevens Point School Dist.	\$8.48	\$1,696.00	\$9.70	\$1,940.00	\$244.00	14.39%
Mid State Tech	\$1.01	\$202.00	\$1.11	\$222.00	\$20.00	9.90%
<b>Total</b>	<b>\$18.76</b>	<b>\$3,752.00</b>	<b>\$20.27</b>	<b>\$4,054.00</b>	<b>\$302.00</b>	<b>8.05%</b>

**NOTES: Portage County Referendum Changes to Mill Rate Not Known at This Time!**

- \* Sample Sheet does not show any Lottery Credits or School Levy Credits. Mill Rates have been rounded up or down to the nearest cent.
- \* Tax bill available for payment in December of 2018 for tax year revenue of 2019.
- \* State Legislature discontinued the "State of Wisconsin" tax - for the second year. (2018) This was a forestry type tax.