

TOWN OF CLAYTON

Special Town Board of Supervisors Meeting

First CY 2014 Budget Review Workshop

Meeting Minutes

9:00 A.M. – 10:44 A.M. on Tuesday, September 3rd, 2013

Town Office Meeting Room, 8348 County Road T, Larsen, WI 54947

I. Call to Order:

A. Notice Verification, Roll

1. Town Board Chairman Luebke called the meeting to order at 9:00 A.M.
2. Pledge of Allegiance recited.
3. Meeting properly posted at three locations in the Town.
4. Roll

a. Board of Supervisors

Chair Luebke	PRESENT
Supervisor Geise	ABSENT
Supervisor Lettau	PRESENT
Supervisor Grundman	PRESENT-LATE
Supervisor Schmidt	PRESENT

b. Staff

Administrator Johnston	PRESENT
Treasurer Bowen	PRESENT

II. Open Forum – Non-Agendized Town-related Matters:

A. No Referrals

III. Business:

A. Discussion/Recommendation: First Budget Workshop – Review by the Town Board of the Administration’s Draft Revenue and Capital Expenses Budgets for the Town’s CY 2014 Budget.

The Board is scheduled to have its first of four budget workshops on Tuesday, September 3rd, 2013. The Administration has always recommended to the Board that the Town’s Annual Budget should be viewed as a Policy Statement from the Town Board relative to its taxation and spending priorities. This recommendation continues to be true for CY 2014. For the past few years the State’s legislative activities have severely limited the Board’s options relative to taxation and/or the generation of revenues. Even with the current Tax Levy restrictions in CY 2014, the Town will experience a small growth in tax revenue generated by a significant increase in taxable Personal Property and a modest increase in residential development.

Attached, please find copies of the Draft CY 2014 Town Revenue and Capital Expense Budgets. As of Thursday, August 29th 2013 the Administration’s Draft CY 2014 Town Budget is approximately \$10,000.00 out of balance. The \$10,000.00 deficit includes an additional Public Works Employee for CY 2014. As the Budget Review process continue, the Administration expects to provide the Board with a balanced CY 2014 Budget. In order to

keep the Budget balanced, the Board will need to give the Administration specific directions relative to the program services it is willing to cut in order to transfer revenue to a specific Budget Line Item. The Administration has funded budgetary line items based on the long range plans approved by the Board and the funding required to implement those programs and the services requested by Town residents. Listed below are the results of those reviews.

General Comments on the Town's Taxing Capacity and Changes in Assessed Valuation:

In general terms, the Town has benefitted from approximately \$16.3 million in natural growth. Specifically, the Town's Equalized Value in CY 2012 was \$434,340,500 in CY 2013 the Town's Equalized Value is \$450,633,700. As long as market conditions stay as they are and the Town does not experience more than moderate growth, the Board's Budgeting process will become more and more difficult. The Administration continues to use the Town's Storm Water Management Utility and the Solid Waste and Recycling Utility to absorb some of the General Fund Utility operating obligations. If the Administration can legitimately place General Fund expenses into a Utility it will continue to recommend that the Board do so.

General Comments Relative to the Draft CY 2014 Budget:

The first workshop will cover the following items:

1. Review of the current status of the Town's bank and fiduciary accounts. The Administration has always taken the position that, on the risk/reward continuum, the Town's policy should favor protecting the Town's money at the expense of income generation.
2. Review of the Town's draft CY 2014 Revenue and Capital Expenditures Budgets (significant changes from the past are highlighted in yellow on the attached Draft CY 2014 Budget Document). Throughout the budget review process the Board will have to make adjustments to the revenue and/or the expense line items to bring the Town's CY 2014 Budget into balance. By the end of the budget review process the Board will have a complete and balanced set of draft revenue and expenditure budgets.
3. A review of the Town's draft CY 2012 Capital Equipment Budget. The Administration would normally ask staff for its wish list and then cut some of the items based on a priority of needs system. In this case the Administration has worked with staff to generate the wish lists and therefore it was not necessary for the Administration to make any cuts. The Town's adoption of a Zoning Code of Ordinances in CY 2013 should set the basis for the codification of the Town's Code of Ordinances in CY 2014/15. Additionally, please be advised that the Town has routinely placed \$250,000.00 in its Capital Road Reconstruction Budget; for CY 2014 this funding will include additional funding from the Town's CY 2012 General Fund Borrowing activities. CY 2014 will be the last year the Board will be able to use this funding source.

In general, the Board has both long term Revenue and Capital Investment Funding shortfalls that it will need to balance. The Board has a number of options to keep the Budget balanced as it moves forward. It can reduce its Capital Investments, it can borrow the funds to balance the revenue shortfall, or it can start a Special Assessment Program. The Administration is recommending that the Board stay the course it is on and see what happens with the economy in the next year or two. A reasonable recovery in the economy will change the way the Board's option will impact the Town's residents.

- Administrator Johnston advised on the 2 pages added to the packet (Net New Construction 2013-2013, and Statement of Changes in Equalized Values by Class and Item)
- Discussed mill rate in relation to the levy
- Discussed new housing and values
- Reviewed the different line items in draft #1 of the revenue budget
- Discussed draft #1 of the capital expenditure budget, specifically the office equipment line item
- Discussed fire department protection fee being added to taxes

IV. Upcoming Meeting Attendance

A. Next meeting is Tuesday September 17, 2013 at 2:00 P.M.

V. Adjournment – 10:44 A.M.

MOTION:

Motion made by unanimous consent to Adjourn.

Respectfully submitted,
Jenna Prange, Administrative Assistant