

**Village of Fox Crossing
Special Meeting of the Board of Trustees – Budget Workshop #4
Municipal Complex – Arden Tews Assembly Room
Monday, October 28, 2024 – 5:00 p.m. – 9:00 p.m.**

Minutes

1. Call to Order

President Dale Youngquist called the workshop to order at 5:00 p.m. Clerk Darla Fink noted those present including: President Youngquist, Trustee Michael Van Dyke, Trustee Kris Koeppe, Trustee Gregory Ziegler, Trustee Kate McQuillan, Trustee Deb Swiertz, Trustee Barbara Hanson, and Staff: Village Manager Jeffrey Sturgell, Finance Director Jeremy Searl, Community Development Director George Dearborn, Fire Chief Todd Sweeney, Assistant Fire Chief Shawn Bordeaux, Police Chief Scott Blashka, Police Captain Tim Callan, Public Works Director Joe Hoechst, Street Superintendent Brian Bauer, Utility Superintendent Mark Schmitt, Director of Parks & Recreation Amanda Geiser, and Director of Information Technology Tim Plagenz. There were three attendees.

2. Presentation of Departmental Budgets

President Youngquist stated he would like to cover the items that are currently on the bubble prior to going into the rest of the budget this evening. He asked Chief Sweeney to briefly present his reasoning for the addition of a full-time Lieutenant to the Fire Department. Chief Sweeney expressed his appreciation to the Board for considering this addition. He noted the call volume increases over the last couple years, the need to place a Lieutenant in the Captain's seat for many reasons, and the ability to provide supervisor coverage on the gap hours. Trustee Hanson went through the call history and departmental changes over the last couple years and asked if the Fire Department intends to ask for additional positions in the upcoming years. Chief Sweeney advised he does not foresee a need for additional positions in the coming years.

Director Searl advised this position will add \$110,000 in wages and benefits annually, which would be less than \$.05/thousand added to the mill rate. He advised the drop in the mill rate is not due to Village growth, but primarily due to the removal of personal property tax. He noted most neighboring communities are going to see a significant mill rate drop as well due to this same reason. The Village Board unanimously agreed to add the full-time Lieutenant to the Fire Department. The Board agreed that they will not be adding a part-time administrative position to Community Development as discussed briefly last week.

Streets Capital Projects

Manager Sturgell went through the list of Village, Stormwater, and Utility Capital Projects for the upcoming year.

1. Winchester Road Reconstruction from railroad tracks to N. Lake Street with a construction cost of \$725,000 to the Village (\$120,000 offset with borrowing), \$150,000 from stormwater, \$50,000 from water for operating nuts and bolts, for a total of \$925,000. Director Hoechst noted the quiet zone issues at the railroad crossing, so at this time they will complete the paint striping to indicate where the raised median will be if approved in the future. They will not be constructing the medians at this time due to the permits needed from the railroads, which can take years, but at least the lanes would be set up for future construction.
2. Mayer Neighborhood Wedge and Overlay from Williams Street south for construction at a cost of \$200,000. Trustee Swiertz asked if the future plan is to get the rest of the roads in this area improved. Director Hoechst advised the rest of these roads are in the 5-year capital

improvement plan to look at for more substantial upgrades. Manager Sturgell stated the wedge buys approximately 8-10 years of life on a road with this amount of usage.

3. East Shady Lane Urbanization with 10' trail from County Highway CB to Cold Spring Road for design and soil borings and a wedge and overlay from Olde Buggy Drive to Cold Spring Road for a cost of \$80,000. The original urbanization project was scheduled for 2025, then pushed to 2026, and now pushed to 2028, so this wedge and overlay is essentially a patch job to buy time and keep the road in decent condition until the full project is ready. Due to the Village receiving the large Surface Transportation Grant (STP) on this project, we have no control over the timeline. There is currently some gas work going on in this area as well. Sand Point Pond was constructed in 2023 and although the pond level is low and has been dry the last couple of months, there is not a lot that drains into that pond at this time so not a cause of concern or leakage.
4. Ehlers Road Wedge and Overlay project from the Railroad Tracks to approximately 100 feet north of Haase Street for a cost of \$80,000 to extend the life on this road.
5. Irish Road Railroad Crossing for design and soil borings from Brookfield Drive to Elk Trail Drive for a cost of \$50,000. This is part of a much bigger project, so just this initial cost is estimated at \$50,000. There has been a desire from Village residents to reconstruct this road to include a trail, so we need to determine how to handle the railroad. This is a very busy trail as it carries much of the foot traffic going to O'Hauser Park. Trustee McQuillan asked when the trail is projected to be constructed. Manager Sturgell advised it will realistically be 2027 or 2028.
6. Irish Road Reconstruction for design and soil borings from County Highway II to Jacobsen Road for a cost of \$200,000 to the Village and \$56,000 to stormwater for the second part of the project detailed above.
7. Earl Street Urbanization from Midway Road to Airport Road for design and wetland delineation which is a rollover from the 2024 budget. This will be a joint project with the City of Menasha for a cost of \$72,000 (offset with prior borrowing) which is approximately a 60/40 split with the City and an additional \$25,000 in stormwater (offset with prior borrowing). Manager Sturgell advised we are currently waiting on the City to have the funds available to accomplish their portion of the project.
8. Jacobsen Road Railroad overpass deck repair for design costs estimated at \$15,000 (offset with prior borrowing). The bridge deck was scanned by Infrasense, Inc. in 2023.
9. The Road Resurfacing Program is budgeted with a total cost of \$750,000 (\$650,000 in borrowing and \$100,000 from the levy) which will be split into multiple parts as detailed below:

Part I roads include Richard Drive, Lilly Street, Sandlewood Street, and Olde Midway Road from Racine Road to Lakeshore Drive.

Part II of resurfacing includes Pages Point Road.

Part III roads include West Palisades Drive (from Beck Street to Annex Lane), Annex Lane, and Beck Street (from West Palisades Drive to Annex Lane).

Part IV of resurfacing includes Wittmann Drive from State Highway 47 to Parkside Drive.

Part V roads include Millbrook Drive, Eagle Drive, Oxwood Drive, Cricket Court, Wick Court, and Gas Drive.

Part VI of resurfacing includes the Municipal Drive Parking Lot.

Other Village Capital Projects

Manager Sturgell advised other capital projects include Concrete Panel Repairs for \$125,000, Municipal Complex Flooring for \$200,000 which excludes the Police Department, and Community Center/Fire Station #41 roof replacement for \$57,500 for each department which have all been discussed in their respective departments.

Director Hoechst stated there are funds set aside for Municipal Complex flooring, however there is also a request to replace the public chairs in the Assembly Room, hallways, etc. The current chairs are original to the building and have been steam cleaned last year; however, they are nearing the end of their life. He estimates the cost to be nearly \$10,000 to get all of the chairs replaced, however this request was removed from the budget prior to the Board workshops. He stated if there are funds left from the flooring, we could put this toward the chairs but needs the Board's approval on this first. The Board asked if the current chairs could be sold to recover some of the costs. Trustee Koeppe stated he believes we've gotten our life out of these chairs as they're nearly 25 years old. Director Searl suggested simply changing the label on this expenditure to Municipal Complex flooring and chair replacement and if the funds are available, they will complete the purchase of the chairs.

3. Recess for Regular Village Board Meeting

At 5:54 p.m., **MOTION:** Trustee Van Dyke, seconded by Trustee Ziegler to recess this special meeting until completion of the Regular Village Board Meeting. Motion carried via voice vote.

4. Reconvene Upon Completion of Regular Board Meeting

At 6:36 p.m., the special meeting was reconvened.

5. Continue Presentation of Departmental Budgets

Stormwater Capital Projects

Manager Sturgell advised he will start with the Stormwater Capital Projects as they feed through to the rest of this department's budget.

1. Clayton Avenue Water and Sanitary Sewer Main Installation from East Shady Lane north 2,800 feet for construction at a cost of \$822,000 from water (\$100,000 in recapture water), and \$905,000 from sanitary sewer (\$100,000 in sanitary sewer recapture) for a total of \$1,527,000. There may need to be an addition to this project of a culvert replacement as well. Manager Sturgell advised this is a TID #5 financed project.
2. Pfeifer Pond (Irish Road South Pond) for the Margeo Neighborhood Utilities project. Construction of the pond is estimated at \$1,100,000 from stormwater and \$753,000 from storm sewer main install in stormwater (offset with settlement funds) for a total of \$1,853,000. The Margeo Neighborhood utilities construction project is estimated at \$1,475,000 in water main replacement from water, and \$1,724,000 in sanitary sewer main replacement from wastewater (offset of \$50,000 for private laterals) for a total of \$3,199,000. Manager Sturgell advised this is the big project this year. The Board discussed how we've historically named ponds after the

prior property owner and debated renaming this pond to Strohmeier Pond or something similar due to its proximity to Strohmeier Park.

3. Ehlers Road Culvert Rehabilitation from 1051 Ehlers Road to 1088 Ehlers Road with construction costs of \$120,000.
4. Mayer Street Storm Sewer Extension construction project from William Street to 1061 Mayer Street for a cost of \$50,000.
5. Schildt Park Pond design and soil borings project for a cost of \$50,000. The Schildt Park project is set for 2026 and Director Geiser stated they plan to use some of the space north of the pond to install pickleball courts as we have a very high demand for these in the Village.
6. Calumet Street Storm Sewer Improvement design from State Highway 47 to Oneida Street for a cost of \$15,000.
7. Irish Road North Pond land acquisition is included in this year's budget as we will eventually need to purchase this property from Secura, however it is unlikely this will occur in 2025. Manager Sturgell advised if we ever want to reconstruct the northern part of Irish Road, we will need to have this pond constructed in order to get this done. They have placed a filler number of \$300,000 in this budget which will be a part of TID #3.

Utilities Capital Projects

Manager Sturgell advised he will start with the Utility Capital Projects as they feed through to the rest of this department's budget.

1. Valley Road Utility Improvement Project from Olde Midway Road to Appleton Road with design and construction costs of \$2.6 Million Dollars from wastewater (offset \$4,000 from operations for sanitary sewer lateral program, \$310,000 from special assessments, \$335,841 from prior borrowing, and \$1,950,159 from settlement funds), and \$2.3 Million Dollars from water (offset with prior borrowing) for a total of \$4.9 Million Dollars. This project is being done in anticipation of the upcoming joint reconstruction project of Valley Road with Winnebago County and the City of Menasha to be conducted in 2026.
2. Larsen Road sanitary sewer extension from Rocket Way to Clayton Avenue with construction costs of \$400,000. The Town of Neenah received some grant funds to reconstruct Larsen Road from Clayton Avenue to County Highway CB in 2025. The sanitary sewer will need to be installed under Larsen Road before this road is reconstructed, which will be a cost to the Town of Clayton, of which they have been informed.
3. Silverwood / Shreve Neighborhood sewer lining construction for \$390,000. The private laterals meet standard and do not need to be repaired at this time. This area has one of the highest flows of Inflow and Infiltration in our area, and this will help with that.

Manager Sturgell also stated the Tower #3 (Haase Street) repainting for \$285,000 from operations and emergency backup generators at Plant #4 and Utility Offices for \$850,000 were originally planned for next year but are now being bumped into 2026.

Wastewater

Director Searl advised there is some increase in revenues due to growth in water consumption with the TID #5 apartment complexes coming online along with doubled consumption from the high

school. There is no proposed rate increase in this utility, and noted the rate increase last year was 3%, 2023 had a 5% rate increase, and 2022 had a partial year increase of 5%. Special Assessment Revenue (Account 420-02) and Developer Contributions (Account 480-10) relate directly to capital projects and vary a lot from year to year. There is continued use of WSAC fees, which is the same as in the last few years. At the end of 2023, the balance was approximately \$668,000 and he noted that this is one of the programs that will be reviewed with the impact fee process.

Director Searl gave a recap of settlement funds available in this utility. In 2022, the Village used funds for various projects related to the DOT Interstate 41 project. In 2023, funds were budgeted for our portion of the Brighton Beach Road project, and the 2024-2025 budget includes \$1.95 Million Dollars for the Valley Road project. If all of these projects came in exactly on budget, we will have approximately \$1,080,000 still available in this utility for settlement funds.

There is a small increase in interest income to balance the budget. We have budgeted well below actual figures for the past three years, so there is no concern about attaining this amount in revenue. In Developer Contributions, this budget includes the expected project for Town of Clayton on the extension of Larson Road and Winchester Road. This budget includes no use of depreciation funds and no use of savings/fund balance which is the reason for no requested rate increase this year.

Director Searl advised there are no substantial changes in payroll, other than a small increase in overtime, pager and call-in pay, and seasonal labor hours which are primarily due to the current employee mix with personnel changes and benefit changes we've already discussed. The wage contingency is \$35,000, which is a \$5,000 increase from the previous year due to growth. The Board asked if \$15.00/hour will be sufficient for a seasonal rate for laborers. Director Hoechst stated he thinks this is a reasonable rate, but if we need to adjust, we will increase the rate and decrease the number of hours available to keep the budget number the same.

In the 02-10 Professional Services Account there is an overall change of \$825.00 but the mix of what is being accomplished in this account is changing. Last year there was an increase due to the new contract with a firm to handle locating services, although the initial estimate was over budget, so this account is being reduced to the actual amount needed. There were small increases in lift station maintenance, back flow preventer valve installations, flex seals for manholes, televising, routing, and Inflow and Infiltration repairs, etc., however overall, the change was minimal. Director Hoechst stated he feels using the locating services firm has freed up a lot of staff time, although there are still some things that need to be worked through. The 02-11 Computer License and Maintenance Account shows a carryover from the IT discussion from last week as this is the sewer allocation. The 02-18 Non-Operating Lateral Expense Account includes private laterals as part of capital expenditure projects for a total of \$54,000 offset with savings and \$5,000 as a base amount that can be completed outside of scheduled projects. The 02-46 Uniform Rental Account is for the contract with Cintas for uniform cleaning. The 03-46 Uniform Allowance Account has an increase of \$50.00 per employee, similar to other uniformed Village employees, however this increase is less than other departments due to the Cintas cleaning contract being budgeted in as well.

The 03-40 Operating Supplies Account is primarily for the treatment plant expenses. The total is a decrease of \$111,000 compared to an increase last year which was the primary reason for the rate increase in the previous year. The 05-40 and 05-41 Depreciation Accounts are continuing to be budgeted for to remain in the rate structure, and this budget includes an increase of \$50,000 as it is a good use of some of the growth in this utility. The 05-31 Meter Expense Account is for the allocation from the water utility for their share of taxes, depreciation, and maintenance costs on the meters. The increase is to recognize that actual figures have been higher for several years now.

The 06-10 and 06-20 Debt Service Accounts show the history of 2021 and 2022 NAN issuances, so there was no principal paid and carried very low interest rates. Those were refinanced near the end of 2023, so the first payments came into play in 2024 which accounts for the large jump, along with 2025. It is forecasted for 2025 to come in just under \$1.2 Million Dollars, and the next four years are currently budgeted at just under \$1.1 Million Dollars. This would have been substantially more if not for the use of settlement funds. Debt Service Coverage calculations are based on actual figures, not budgeted figures, so it's important to stay conservative with budgeting to continue outperforming the budget. The 06-90 Other Debt Expenditures Account is for treatment plant debt and depreciation for a total of \$40,000, however the 10-year average decrease is \$2,000-\$4,000, but varies based on their debt issuances and payoff schedules. The 08-01 Capital Reserve Account is for manhole rehabilitation which is an if needed expense based on street projects. Director Searl advised he anticipates this going away in the future.

The ERF includes replacement of a 1-ton Truck with utility box and snowplow which was moved up three years on the schedule as it has been determined the vehicle doesn't have as long of a life as was originally budgeted for. There is another pickup truck that is being moved up four years as well to 2030. Director Searl advised the folding/inserting machine will also be replaced shortly as it is on its last leg for utility bills, real estate tax bills, etc.

Water

Director Searl advised the Water Utility budget was very challenging this year with the increase in expenses far outpacing the growth in revenues. The rate increase for the PWAC (purchased water adjustment clause) will hopefully be in effect for all of 2025 which is budgeted as a 1.69% increase per the PSC calculation. We are currently waiting to hear back from the PSC on the status of the process. Once approved by the PSC, it will go into effect nearly immediately. Director Searl advised we are not allowed to have separate charges for different sides of the Village, so the entire Village's water rates will be affected once approved. The expansion into Clayton has shown more gallons used than forecasted, along with the high school consuming double what was projected have helped to increase revenues.

Special assessment revenue and developer contributions are related directly to capital projects and vary a lot from year to year. The only developer contributions expected is for new water meters from Town of Clayton. Director Searl advised that the use of Fund balance in this utility is \$379,400 this year which is to offset the following: \$108,000 for cleaning three wells, \$70,000 to replace booster pumps at two plants, \$10,000 to replace the mixer at Tower 1, \$8,400 to replace hydrant flags, and \$175,000 for 2025 Village meter replacement program. The debt carryover is almost all towards the Valley Road project that was discussed earlier. There are no significant changes in payroll. The combined contingency is set at \$50,000, which is the same as last year and benefit changes have been previously discussed.

In the 02-10 Professional Services Account, there is a total increase of \$104,000. The previous year included an increase due to the new contract with the locating services firm. This account includes \$119,000 in maintenance of wells due to cleaning of one additional well (\$36,000) plus the inspection and rehabilitation of Well #3 (\$75,000). Historically, we have only cleaned East Side Wells #5 and #7. The 02-11 Computer License and Maintenance Account is the allocation for IT's purchases, similar to the sewer allocation for these funds. The 02-23 Sewer / Water / Storm Account is primarily for the purchased water from Menasha Utilities on the East Side to supplement our wells which is an increase of \$171,000 overall. There are two components to this increase: approximately \$50,000 is due to the rate increase from Menasha Utilities and \$120,000 is due to an increase in consumption (8.8 million gallons forecasted). Director Searl reminded the Board that at \$6.35/gallon from Menasha Utilities, we are losing \$.66 per gallon. He stated this is not a

lost margin, this is gross loss and is one of the biggest factors that affect the success of the water utility.

Director Hoechst stated there are a couple aspects to increased consumption. The first is the presence of additional car washes on the East Side, and specifically noted Club Carwash on the corner of Midway and Oneida Street which is a big water user. The second factor is a couple substantial leaks that were discovered this year. He noted a leak on Appleton Road which was a 12" pipe break and another in the Harbor Lights mobile home park. Without these leaks we would be very close to 2023 water consumption levels. There was a long discussion on the percentage of water purchased from Menasha Utilities as compared to what we don't have to purchase. Director Hoechst advised we're getting closer to 45% of Village water being purchased from Menasha. The Board asked about using both Wells on the East Side at full capacity, however there are concerns about taking them both offline at the same time and then we would be completely reliant on purchased water. Director Searl stated we will be filing a full rate case in the next couple of months. We can go into that case with the expectation of purchasing more and can fight for our case with the PSC, but this is not guaranteed. Unfortunately, the last case used Covid years as the base years, so it was a bad timing issue with the rate case. The Board also discussed other options for water sources, future plans for transferring water across the 441 Bridge, accessing surface water, etc.

Director Searl advised the 03-09 Credit Card Fees Account has increased due to more people using the online credit card system. The 03-40 Operating Supplies Account has decreased due to no zeolite replacement in 2025 as this is the year off. We will most likely need this budgeted in 2026. The 03-53 Equipment Maintenance Account has an increase of \$56,000 due to different maintenance projects being done this year including \$70,000 to replace the booster pumps at Plants 2 and 3 (using savings and fund balance). They also plan to modify the overflows at the underground reservoirs for Plants 2 and 3. The 03-94 Salt Account is budgeted to purchase 3,250 tons (the budget has ranged from 2,900 to 3,300 tons in recent years). The cost per ton has increased \$3.00/ton. The 05-90 Other Fixed Charges Account is the PILOT (payment in lieu of taxes) paid to the general fund, which is the same as last year. The 05-40 and 05-41 Depreciation Accounts continue to budget no funding for depreciation. The 06-10 and 06-20 Debt Service budget is set for \$1.9 Million Dollars consisting of \$1.2 Million Dollars in principal and \$700,000 in interest. The 2024 new debt issue has no principal in 2025 due to how late in the year it was issued. The 2026 and 2027 budgets are set to be close to \$2 Million Dollars per year. The 08-01 Capital Reserve Account includes \$195,000 for meters (\$125,000 offset with savings/fund balance and \$70,000 is assuming the amount of Town of Clayton's meters that they will need to pay for). This amount will depend on actual development estimates to create the annual loan amount from Clayton to the Village. Director Searl advised that debt needs to be a limiting factor in what we can do. At this time, if a project doesn't need to be done, maybe it shouldn't be done. The ERF shows a tractor/backhoe coming up in 2026 and 1-ton truck in 2027, however there is no equipment coming up this year for replacement.

Director Searl advised as the budget sits, there is no rate increase for sewer, no rate increase for garbage, and the stormwater rate is currently on the bubble but was originally proposed as an \$8.00/ERU increase due to debt service increasing. There was some discussion on rounding up the stormwater increase to an even \$10.00/ERU. The Board agreed to increase the ERU rate to \$160.00/ERU rather than \$158.00/ERU. This will generate a little bit of revenue to possibly avoid any increase next year.

The Board then discussed a wastewater rate increase. The current budget proposes no increase; however, a small increase would provide more funds and allow for no increase next year. The thought was to include a minimal increase to keep the fund healthy with even a small 1-2% increase. In the past, this rate increased quickly and significantly. Increasing this rate would be

approximately a \$10.00/year cost to the residents. Trustees Van Dyke and McQuillan asked if we have good justification to increase this rate. It was agreed that there is no justification to increase this rate at this time, and it will be left as it is this year.

Looking ahead to next year, the only rate increase should potentially be the water rate increase based on the rate case study which will be significant. We need to get the Impact Fee Study completed and there are hopes that the water rate increase would come into play in 2026. Overall, the Board agreed to only increase the stormwater ERU charge and leave all other utility charges the same.

Final Discussions

Director Searl advised there are a few small items on the bubble list. One of the items was the \$600 sponsorship for the Memorial Day parade due to the lack of including the Fox Crossing name in the parade title. Trustee Hanson stated she doesn't think we should sponsor the parade as they don't include us in the name. The Board agreed to leave this sponsorship amount in the budget. Director Searl advised there was also discussion over the amount for the Municipal Judge pay increase. The current proposal is to increase the Judge's wages by \$4,000 per year effective at the end of the current term. He stated the Board also asked about neighboring community's Board salaries and presented a chart showing our Board's annual salary compared to other municipalities locally. The Board agreed to a \$4,000 increase for the Municipal Judge and left the Village Board's wages as is.

7. Adjourn

At 9:15 p.m., **MOTION:** Trustee Van Dyke, seconded by Trustee Ziegler to adjourn the special meeting. Motion carried via voice vote.

Respectfully submitted,

Darla M. Fink, WCMC, Village Clerk

Note: *These minutes are not to be considered official until acted upon at an upcoming regular meeting, therefore, are subject to revision.*