



Village of River Hills
 7650 N Pheasant Ln
 River Hills, WI 53217

Village Hall: 352-8213
 Public Works: 352-0080
 Police: 352-8211

Date: October 20, 2021

To: Village President Steve Anderson and the Board of Trustees

From: Tammy LaBorde, Village Manager/Clerk/Treasurer

Re: 2022 Budget Update

The enclosed current Draft of the 2022 budget includes a number of items that are outlined in the “Changes” section of the memo as well as the proposed increase to wages at 2% on January 1, 2022. As you will note, the maximum allowable levy that the Village can increase its levy to is \$3,072,495, which is an increase of \$7,041 from 2021’s levy. Our Net New Construction was 0.323% from 2021 or \$8,262. The levy is currently at \$3,193,579 which exceeds the allowable levy by \$121,084.

The tax rate for 2021 was set at \$6.69 per \$1,000 assessed valuation. At the maximum allowable levy, I am estimating that the tax rate for 2022 will be \$6.76/thousand assessed value or \$0.07 cents above the 2021 rate, a 1% increase.

HISTORICAL DATA

ASSESSED VALUE/EQUALIZED VALUE

The following chart shows the assessed value and equalized value since 2014.

	<u>Assessed Value</u>	<u>% Over Previous Year</u>	<u>Equalized Value</u>	<u>% Over Previous Year</u>
2021	\$454,731,800	-0.7550%	\$469,805,500	-3.6880%
2020	\$458,189,400	-0.9408%	\$487,792,400	4.6190%
2019	\$462,541,000	-0.7970%	\$466,252,700	2.100%
2018	\$466,851,100	-1.1158%	\$456,345,800	-4.876%
2017	\$472,119,200	-0.2916%	\$479,737,000	-3.217%
2016	\$473,500,000	-1.1261%	\$495,681,900	5.294%
2015	\$478,892,900	-0.6078%	\$470,755,800	2.273%
2014	\$481,821,300	---	\$460,291,500	---

LEVY LIMIT AND TAX RATE HISTORY

The following is a recap of the levy limit and tax rates going back to 2010 which includes the proposed levy and tax rate for 2022 at the maximum allowable rate.

Year	Levy Amount	% Over Previous Year	Tax Rate	% Over Previous Year
2022	\$3,072,495	0.23%	6.76	1.00%
2021	3,065,454	-9.87%	6.69	-8.98%
2020	3,401,156	1.52%	7.35	2.30%
2019	3,350,161	2.66%	7.18	3.90%
2018	3,263,403	2.50%	6.91	2.82%
2017	3,183,808	1.17%	6.72	2.30%
2016	3,146,690	1.99%	6.57	2.66%
2015	3,085,293	2.27%	6.40	2.73%
2014	3,016,766	2.72%	6.23	2.13%
2013	2,936,481	-0.01%	6.10	0.00%
2012	2,936,775	0.01%	6.10	-0.01%
2011	2,936,991	1.31%	6.13	0.33%
2010	2,899,019	3.00%	6.11	-----

EXPENDITURE RESTRAINT PAYMENT FOR 2022

On September 29, 2021, I received the notice for the 2023 Expenditure Restraint Program payment. The increase in the budget from 2021 to 2022 cannot be greater than 3.2% in order to maintain our payment. The proposed increase in the budget at this time is 2.59% which should qualify us for the 2023 payment.

PROPOSED WAGE AND BENEFIT INCREASE FOR 2022

The following is a recap of wage increases from the past eight years:

<u>Department</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Admin	1%+1%	1.6%	2%	2%	2%	3%	3%	3%	2%
Police Clerks	1%+1%	1.6%	2%	2%	2%	3%	3%	3%	2%
Police Chief	1%+1%	1.6%	2%	2%	2%	3%	3%	3%	2%
DPW	1%+1%	1.6%	2%	2%	2%	3%	3%	3%	2%
Police Union	1%+1%	1.6%	3%	2.5%	2.5%	3%	3%	3%	2%

2019 was the first year in over four years where the Police Union didn't receive a higher increase than the rest of the Village employees based on their contract.

The Police Association contract expires as of December 31, 2021. The increase for the Police Association in 2022 is proposed at 2%. The difference in wages below reflects the change in wages for the other fifteen non-represented employees at the various rates.

2022 PROPOSED ESTIMATE FOR WAGES AND BENEFITS

Proposed Percentage Increase	Estimated Total Wages & Benefits	Difference with 2%	Difference with 2.25%	Difference with 2.5%	Difference with 2.75%
1.5%	\$2,146,371	(\$8,106)	--	--	--
1.75%	\$2,150,299	(\$4,178)	--	--	--
2%	\$2,154,477	--	--	--	--
2.25%	\$2,158,379	\$3,902	--	--	--
2.50%	\$2,162,382	\$7,905	\$4,003	--	--
2.75%	\$2,166,382	\$11,905	\$8,003	\$4,000	--
3%	\$2,170,357	\$15,880	\$11,978	\$7,975	\$3,975

Health insurance premiums are estimated to increase 5.8% and I am waiting on information regarding dental insurance premiums for 2022. Employees continue to contribute 12% toward their health and dental insurance premiums.

CHANGES SINCE SEPTEMBER BUDGET COMMITTEE MEETINGS

The following changes have occurred:

Revenues

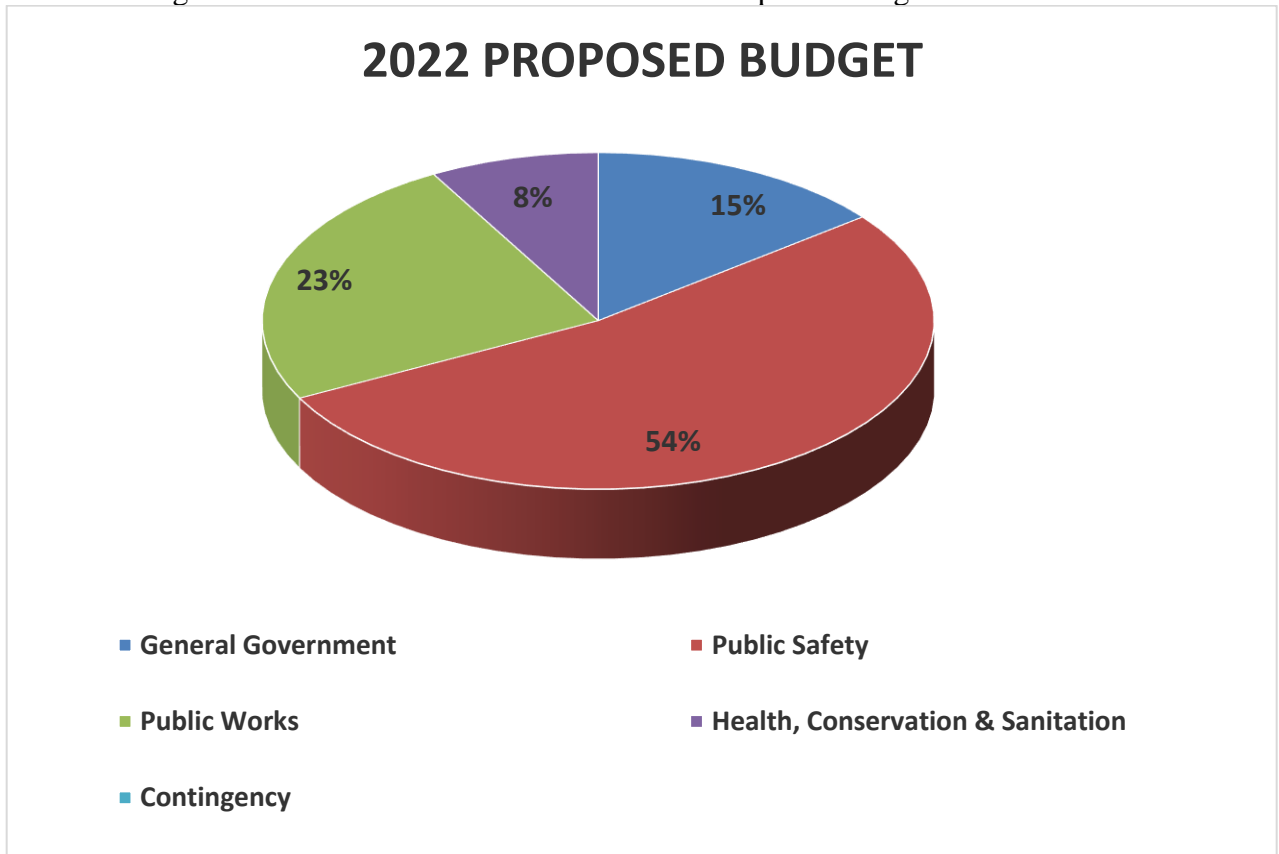
- The 2022 Shared Revenue amount reflects no expenditure restraint payment for 2022.
- The estimate for 2022 Transportation Aids decreased \$23,490 to \$278,326.
- The estimate for Video Service Fees is anticipated at \$6,119.
- Law & Ordinance revenue was increased to \$135,000.
- Building permits have been increased to reflect activity and the amount paid for inspection services has been increased as well.
- Miscellaneous revenues will include chicken and dumpster permits.
- Proceeds from Fund Balance – Capital reflects the amount of DPW equipment and road maintenance that was previously borrowed in 2020.

Expenditures

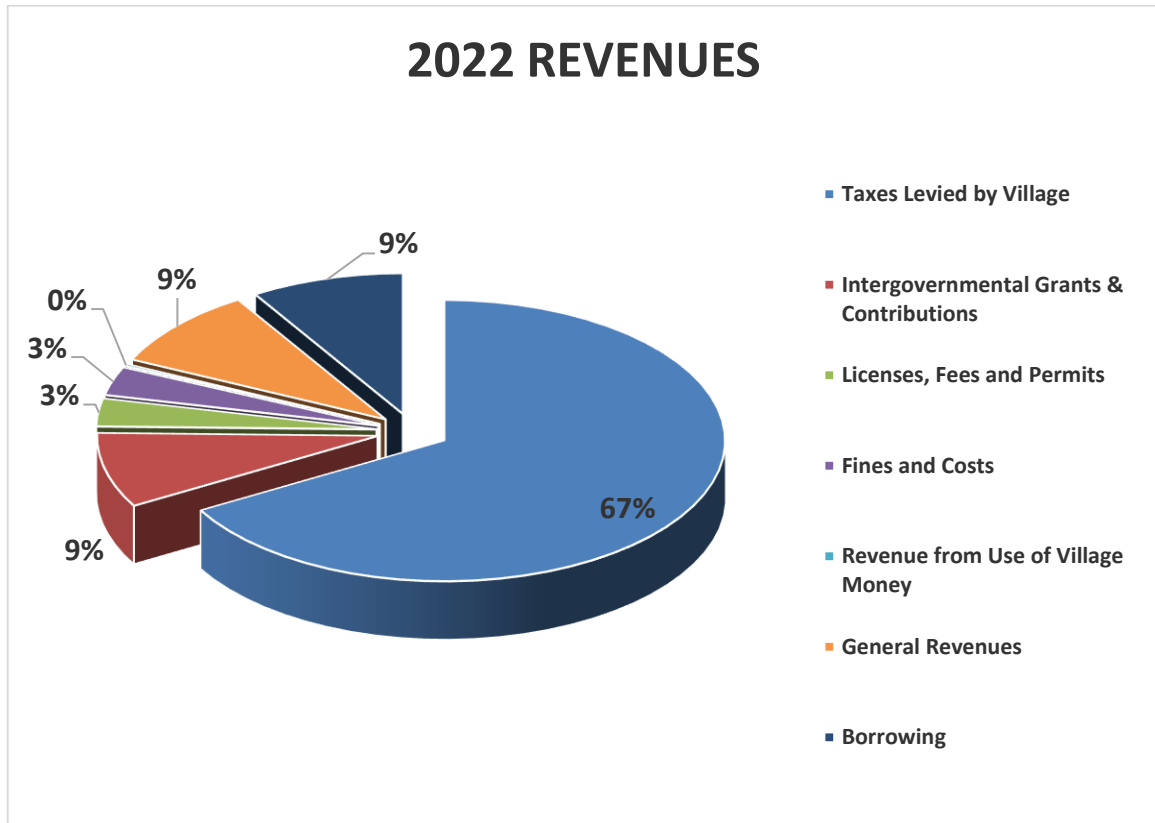
- All health insurance figures have been reduced from 15% to 5.8% and awaiting information regarding the dental insurance premiums.
- I have removed the charge for income continuation as that is paid for by the Wisconsin Employee Trust Fund.
- Board Dues – received request to add \$155 to dues for the League of Wisconsin Municipalities.
- Shifted out a total of \$71,171.72 in wages and benefits for Randy, Stephanie and I to the TID Fund (\$44,828.04) and Sewer Fund (\$26,343.69). As the TID winds down, some or all of what is being charged out will be shifted back to the general fund.

- Request from city attorney to increase fee to \$35,200 or 1.73%.
- The New Library Agreement has increased the contribution \$9,880 for 2022. The increase went from \$58,891.40 in 2021 to \$68,771 in 2022. At this time there has been no request for capital funds for 2022.
- Tyler Technologies has proposed 3-year contract with a possible revaluation in 2023.
- The New Library Agreement has increased the contribution \$9,880.
- Proposed increase in Engineering services of 0.65% from \$31,000 to \$31,200.
- Audit services increased to \$16,450 from \$15,950 based on 5-year agreement.
- MADACC submitted their budget request for 2022 and there was a reduction of \$9.
- Police Dept. – Contractual services increased to \$174,946 from \$167,944, an increase of \$7,002 from 2021.
- Fire Dept. – Contract services are proposed to increase \$9,005 for 2022.
- Municipal Court – The attorney has requested an increase of \$600 for professional services.
- The North Shore Health Department increased \$540 from \$11,042 to \$11,582.
- DPW expenses include replacing the position that was opened by a retirement. The total wage and benefit amount budgeted is \$89,186.
- All of the central service capital items and fire department capital are proposed to be covered by the funds collected to date for the lift station (principal and interest). The funds in Debt Service will be transferred to Fund 492-Central Services Capital \$70,850 and Fund 401-Fire Capital \$36,978 for a total of \$107,828.

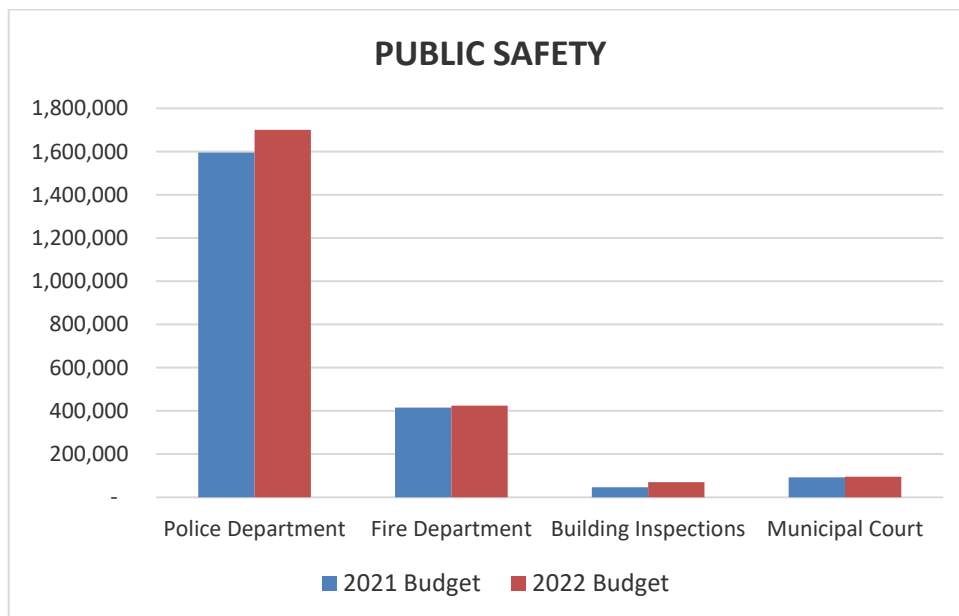
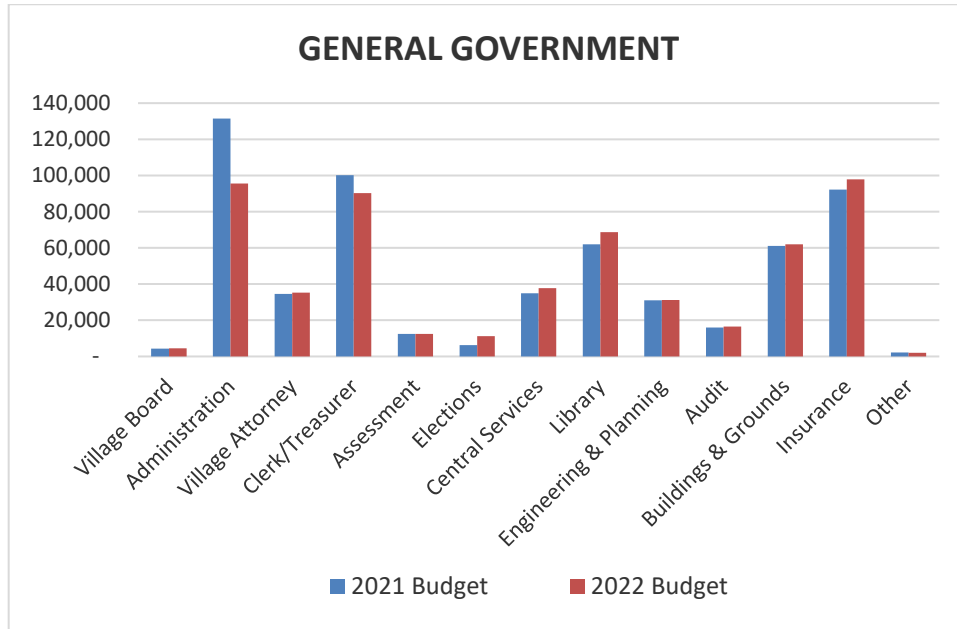
The following chart shows the distribution of the 2022 Proposed Budget.

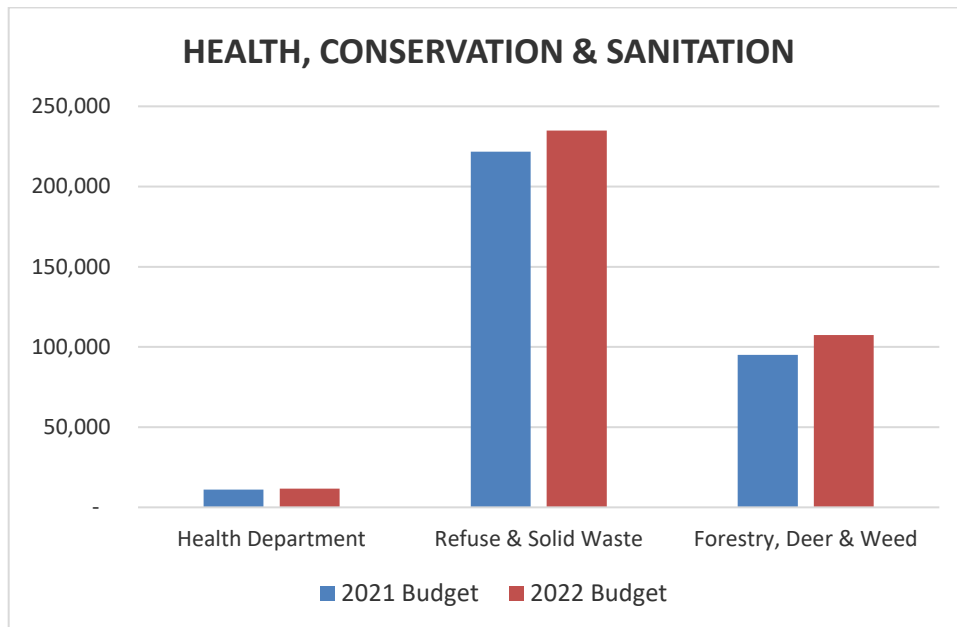
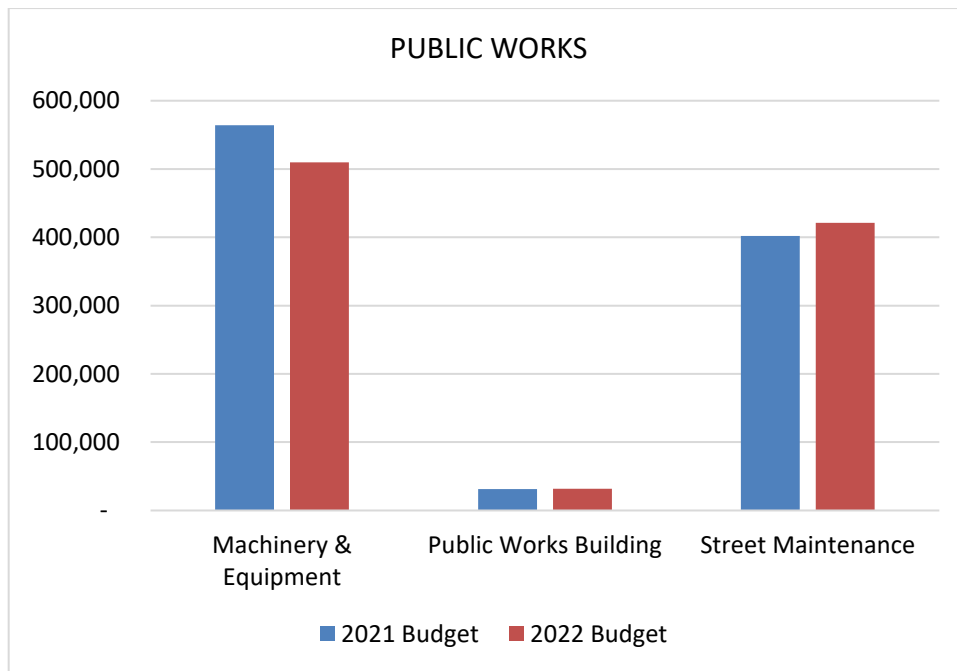


The following chart shows where the Revenues for the Village originate. Note – 67% of revenues come from the property taxes that are levied by the Village.



The following charts show the distribution within budgetary division of the Village. Note that some of the fluctuations in the various areas of the budget are due to the change in the capital project figures for each year, specifically public works for street maintenance and machinery & equipment.





If you have any questions regarding this information, please do not hesitate to contact me.