

CITY OF

PLATTEVILLE



2022 CITY DRAFT OPERATING BUDGET
PRESENTATION TO COMMON COUNCIL
NOVEMBER 15, 2021

2022 CITY BUDGET QUOTE

“ Budgeting isn’t about limiting yourself – it’s about making the things that excite you possible.”

-unknown

2022 CITY BUDGET TIMELINE

October 2021	Tuesday Oct 5	*	6pm: Common Council review session – 2022 CIP Budget
	Monday Oct 11		Airport Commission approval of 2022 Airport Budget
	Tuesday Oct 12		Presentation of City Manager budget at Council meeting
	Wednesday Oct 13		Water/Sewer Commission approval of 2022 Utility Budget
	Tuesday Oct 19	*	6pm: Common Council review session – Department Operational Budgets
	Tuesday Oct 26		6pm: Common Council budget review session (if needed)
	Thursday Oct 28		Submit notice of public hearing for the 2022 Budget to the Platteville Journal
	Thursday Oct 28		Issue press release for Public presentation of the proposed budget
November 2021	Monday Nov 15		City Manager presentation of the proposed budget to the public
	Tuesday Nov 23		Public hearing for City of Platteville Budget and Council adoption of the Budget

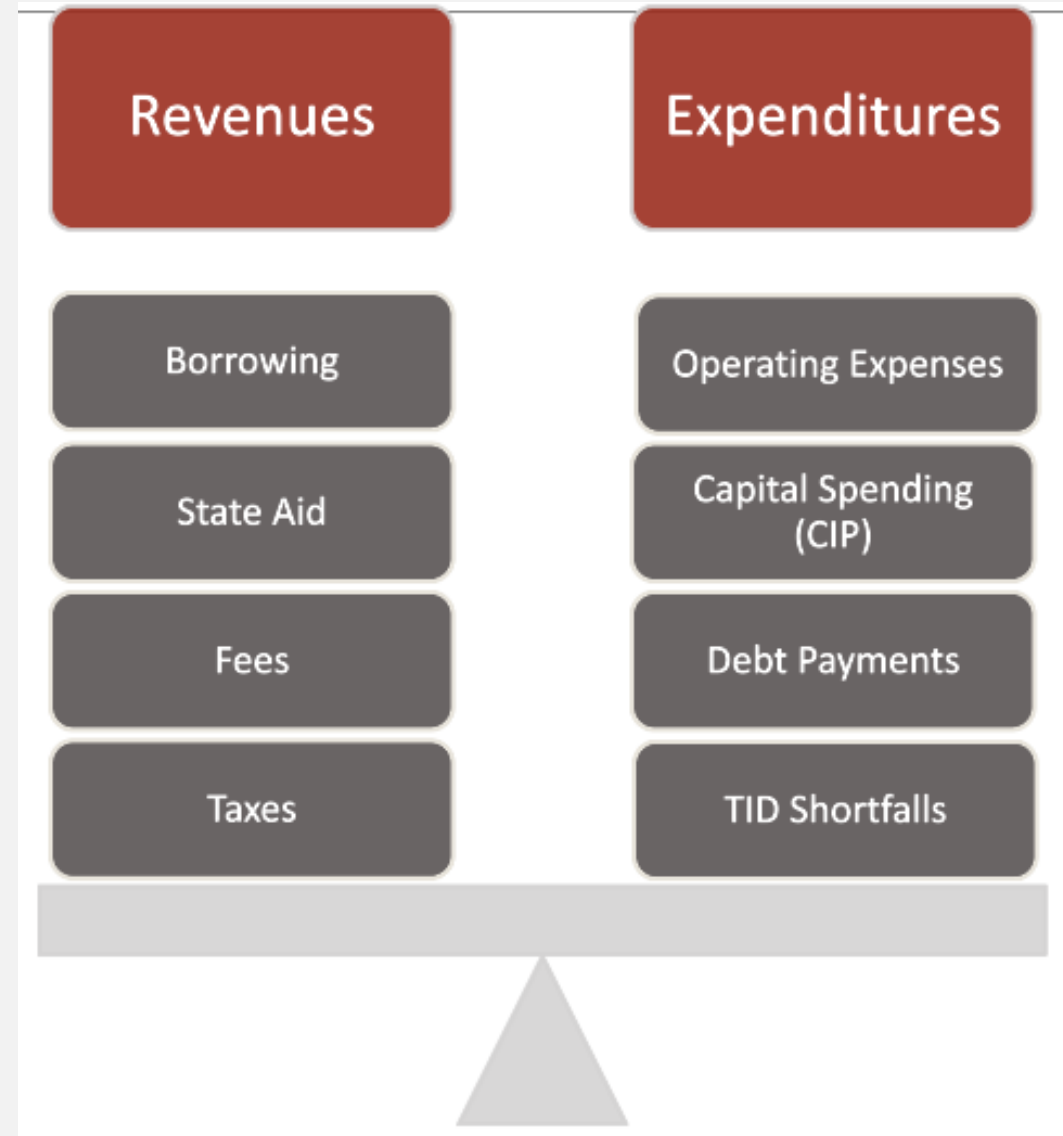
* Asterisks represent specially scheduled Council meetings

BUDGET PRESENTATION GAME PLAN

- Budget Basics
- Financial Outlook/Considerations
- 2022 City Budget Initiatives
- 2022 City Budget Increases/Decreases
- 2022 City Capital Improvement Plan/ARPA Funding
- 2022/2021 Budget Comparison
- 2021 City Tax Impact Review
- 2022 City Tax Proposed Impact

BUDGET BASICS

- The City must create a budget where revenue equal expenditures.



BUDGET BASICS

Expenditures

Operating Budget

Basic costs to run the day to day operations.

CIP

One-time costs for large capital items. Some items are predictable, others are not.

Debt Service

Repayments on our loans, which are used to fund expensive, long lasting capital projects.

TID Districts

If revenues are less than expenses, the shortfall may need to be covered.

OPERATING REVENUE

Rule:

One-time revenues should not be used to balance the operating budget

Two options to balance budget:

- ❖ **Increase revenue**
- ❖ **Decrease expenses**

- **Personal Equivalent:**
 - Your monthly pay must cover your ongoing personal expenses (utilities, food, clothes, etc...)
 - Using one-time revenues to balance your budget is like winning \$500 in the lottery and leasing a car with a monthly payment of \$500. You can cover the expense for one month, but you will not be able to cover the expense next month unless you win the lottery again.

DEBT SERVICE

The City borrows money to pay for large long-life capital projects, such as streets.

The length of loan should not extend beyond the useful life of the item for which the funds were borrowed.

Payments on loans represents the City's debt service.

Caps in the amount the City can borrow exist :

❖ **State - 5% of equalized value**

❖ **City Policy - 3.5% of equalized value**

- **Personal Equivalent:**
 - When you take out a mortgage or a car loan you make monthly payments until the debt is paid off.
- **City Borrowing Notes**
 - 2021 Equalized Value - \$761,224,200
 - State Borrowing Limit is $\$761,224,200 \times 5\% = \$38,061,210$
 - Principal Outstanding in 2021 is \$20,492,022, 53.8%
- **City Debt Limit Policy of 3.5% of Equalized Value**
 - City Policy Limit of $\$761,224,200 \times 3.5\% = \$26,642,847$
 - Principal Outstanding in 2021 is \$20,492,022, 76.9%

CIP FUNDING

CIP Funding Sources	Personal Equivalent
Transfer from general fund extra reserves	You were able to save some money from your paycheck in previous years and you use it to pay for your new roof or riding lawn mower.
Carry over from previous year	You planned to purchase a riding lawn mower this year but did not find the right one. You use your unspent checking balance to pay for the riding lawn mower next year.
Short-term borrowing – not typical and a sign of financial stress	You visit a short-term lender to pay for your new roof or riding lawn mower.
Base reserves - may impact bond rating	You maintain a \$1,000 balance in your savings account to cover emergency expenses. You use part of the \$1,000 to pay for your new roof or riding lawn mower.
Long term borrowing – used for streets and some buildings	Taking out a loan for a higher cost expense that is expected to last a long time, such as a house. Important to have the income in your <u>budget</u> to cover the loan payments.

CIP FUNDING

- CIP Needs:
- Due to budgetary concerns the City has available \$696,635 to spend on predictable CIP items. These items include:
 - Vehicle replacement
 - Equipment replacement
 - Building repairs
 - Park Improvements
 - Sidewalk repair
- In addition, the City has borrowed from \$1-2 million for street reconstruction annually. Under the current long-range financial plan, the City has limited this borrowing to the amount being retired each year.
- In 2021 the anticipated principal paid off for levy supported financial borrowing is \$1,275,000.

TIF DISTRICTS

❖ **TIF Districts are separate funds that have their own revenues and expenses.**

❖ **If revenues exceed expenses, the amount goes into the fund balance for the district (savings) for future expenses. The TIF District may close early and the created tax base is added to the rest of the City.**

❖ **If expenses exceed revenues and there isn't fund balance (savings), the General Fund must cover the shortfall.**

- **Personal Equivalent:**
 - Imagine that you own several small businesses.
 - If revenues exceed expenses, you reinvest the money in the business. Down the road, you will see the business and make a profit.
 - If the businesses can't pay their expenses, you (as the owner) must pay from your personal accounts.

FINANCIAL OUTLOOK/ CONSIDERATIONS

Using projections for operational needs, anticipated borrowing and CIP spending, the Long-Range Financial Plan provided a look at the financial factors influencing the next five years:

- ❖ increases in operational expenses are expected to outpace net new construction.

- ❖ it is anticipated TID 6 will not require levy support due to projected growth.

- ❖ net new construction this year was 0.43% - \$3,142,500
 - ❖ T. Platteville-1.51% - \$2,143,200 Lancaster – 0.41% - \$1,128,000 Belmont-1.73% - \$1,106,500
 - ❖ Whitewater – 2.35% - \$2,132,300 River Falls – 1.14% - \$9,005,000 Baraboo-0.68% - \$6,322,300

- ❖
- ❖ sustaining \$696,635 of annual levy support for CIP will require use of reserves.

- ❖ TID and city-wide growth and/or increases in state funding would help with the above.

- ❖ City funding support for a new fire facility will need to be monitored due to debt service requirements.

2022 CITY MANAGER BUDGET

- Budget “Drivers”

Operating Expenses	Revenues	Other
<ul style="list-style-type: none">❖ Salaries❖ Benefits❖ Mandates❖ Elections❖ Contracts	<ul style="list-style-type: none">❖ State Aids❖ Hotel Tax❖ Revenue Related to New Development	<ul style="list-style-type: none">❖ Debt service❖ TID Support❖ Expenditure Restraint

2022 BUDGET INITIATIVES

- Proposed 1% wage increase for all nonunion city staff members. Impact to budget approximately of \$19,903.
- Proposed Wisconsin Professional Police Association wage increases of 4% to align with compensation plan. By increasing wage structure this will assist us to remain competitive with other municipal organizations. Impact to budget of approximately \$27,900.
- Proposed step increase for all eligible employees in recognition of honoring 2016 City of Platteville Compensation Plan. Impact to budget of \$32,000.

2022 BUDGET INITIATIVES

- Increase to recreational seasonal staff wages to assist with staffing issue and to maintain competitive wages with other municipalities. Impact to budget of \$10,500.
- Add dispatch shift differential pay of \$0.50 per designated night hours to maintain competitive wages with other municipalities. Impact to budget of \$1,550.
- Increase in pool admission fees. Current cost for daily Pass is \$3.00 which is forecasted to bring in \$25,000 in revenue. (Roughly 8,333 individuals). An increase to \$4.00 has been proposed by the Parks, Recreation, & Forestry Committee which will be considered by the common council in December.

2022 BUDGET INITIATIVES NOT INCLUDED

- Addition of Police Department Part Time Front Desk Assistant. Impact to budget of approximately \$20,129.
- Addition of Museum Staffing support for operations. Impact to budget of approximately \$18,500.
- Addition of Agenda Creation Software to increase city communications potentials. Impact to budget of approximately \$15,000.

2022 OPERATING EXPENSES INCREASES

OPERATING EXPENSES INCREASE GREATER THAN \$10,000

Health insurance increases (rate & enrollment)	76,000
OE Gray (offset by revenues)	47,000
Enterprise vehicle leases	43,500
Room tax allocation (offset by revenues)	35,000
Salt contract	35,000
Step increase for eligible employees	32,000
4% increase for police officers	27,900
1% increase for all non-union employees	19,903
Gubernatorial election year expenses	17,000
Museum operating expenses	13,000
Property/liability insurance	12,000
Library staff restructure	11,000
Pool seasonal wage increases	10,500
TOTAL	379,803

2022 OPERATING EXPENSES DECREASES

OPERATING EXPENSES DECREASES GREATER THAN \$10,000

Finance outlay	17,500
Senior Center rent expense (transitioned to OE Gray)	15,120
Street lighting	10,500
TOTAL	43,120

2022 OPERATING REVENUE INCREASES

OPERATION REVENUE INCREASES GREATER THAN \$10,000

OE Gray revenue (offset by expenses)	49,500
Transfer from CIP fund - for vehicle leases	42,000
Room tax (shared w. chamber)	40,000
Township Fire revenue	32,000
Museum Grant	17,000
Municipal Service Payment	15,000
Parking violations	13,000
Court penalties	10,000
TOTAL	218,500

2022 OPERATING REVENUE DECREASES

OPERATION REVENUE DECREASES GREATER THAN \$10,000

Interest	55,000
Transporation aids	14,500
TOTAL	69,500

2022 CAPITAL IMPROVEMENT PLAN

Department	Project	Requested Cost	Capital Project Tax Levy	Intergovernmental Revenues	General Fund Transfers	Other Sources	General Obligation Bonds	Notes
General Government	City Hall Exterior Maintenance	\$ 15,000.00			\$ 15,000.00			
	City Hall Exterior Metal Coping	\$ 16,330.00	\$ 16,330.00					
	IT Upgrades	\$ 56,000.00		\$ 56,000.00				Funded by ARPA \$
	City Hall Chimney Repair	\$ 10,000.00	\$ 10,000.00					
Police Department	City Wide Camera System	\$ 140,000.00		\$ 100,000.00		\$ 40,000.00		Funded by ARPA \$ / CIP Carryover
	Squad Car Replacement	\$ 50,000.00			\$ 50,000.00			
	Portable Radios	\$ 10,000.00			\$ 10,000.00			
	Tactical Equipment	\$ 10,000.00			\$ 10,000.00			
	Pistols	\$ 12,000.00			\$ 12,000.00			
DPW	Cedar Street Reconstruction	\$ 650,000.00					\$ 650,000.00	
	Gridley Avenue Reconstruction	\$ 210,000.00					\$ 210,000.00	
	Main Street Culvert	\$ 350,000.00		\$ 350,000.00				Funded by ARPA \$
	Highway Striping	\$ 30,000.00			\$ 30,000.00			
	Sidewalk Repair	\$ 30,000.00			\$ 30,000.00			
	2.5 Ton Dump Truck	\$ 185,000.00			\$ 185,000.00			
	End Loader #19	\$ 70,000.00			\$ 70,000.00			
	Rountree Branch Streambank Stabilization	\$ 240,985.00		\$ 240,985.00				Funded by ARPA \$ / Grant Funding
Trail Maintenance	\$ 12,250.00	\$ 12,250.00						
Department	Project	Requested Cost	Capital Project Tax Levy	Intergovernmental Revenues	General Fund Transfers	Other Sources	General Obligation Bonds	Notes
Parks	Parks Mowers	\$ 32,500.00	\$ 32,000.00		\$ 500.00			
	Woodward Field Shade Canopies	\$ 15,000.00				\$ 15,000.00		Funded by Legion Park Advertising Trust
	Rookie Fields	\$ 25,000.00				\$ 25,000.00		Funded by Legion Park Advertising Trust
	Legion Park Small Parking Lot	\$ 109,000.00	\$ 54,000.00		\$ 500.00	\$ 54,500.00		Funded by Levy \$ / Clayton Trust
Museum	Preservation Plan	\$ 64,000.00			\$ 64,000.00			
	Energy Audit	\$ 64,000.00		\$ 64,000.00				Grant Funding Supporting
Fire	Radio Replacement/Digital Upgrade	\$ 370,737.00	\$ 49,965.00	\$ 270,772.00		\$ 50,000.00		Funded by Levy \$ / Grant/ Cash from sale of radios
Taxi	Taxi Vehicle	\$ 40,000.00		\$ 32,000.00	\$ 8,000.00			
Airport	Airport CIP Match	\$ 15,000.00			\$ 15,000.00			
GRAND TOTALS		\$2,832,802.00	\$ 174,545.00	\$ 1,113,757.00	\$ 500,000.00	\$ 184,500.00	\$ 860,000.00	

2022 CAPITAL IMPROVEMENT PLAN

Department	Project	Requested Cost	Capital Project Tax Levy	Intergovernmental Revenues	Other Sources	General Obligation Bonds	Notes
General Government	City Hall Phase 3A Renovation	\$ 150,000.00		\$ 100,000.00			Reduce by \$50,000. Tech Upgrades to Council Chambers/First Floor via ARPA \$
DPW	Hickory Street Reconstruction	\$ 430,000.00				\$ 415,000.00	Reducing by \$15,000 to meet borrowing policy
	Street Repair & Maintenance	\$ 120,000.00			\$ 110,000.00		Reducing by \$10,000 due to actuals. Paid by Wheel Tax
	Second St Sidewalk	\$ 90,000.00		\$ 25,000.00			Reducing to \$25,000 paid by ARPA funds. Will Seek Grants
	Pine Street Parking Lot	\$ 225,000.00					Recommending push back to 2023 consideration
	Alleys	\$ 80,000.00					Recommending push back to 2023 consideration
	1T Dump	\$ 55,000.00					GF Levy will cover lease payments for 6 vehicles
Museum	Museum Safety, Security, Air Quality	\$ 45,890.00	\$ 22,090.00	\$ 16,800.00			Reducing by \$7,000. Split between ARPA \$ and levy
GRAND TOTALS		\$ 1,195,890.00	\$ 22,090.00	\$ 141,800.00	\$ 110,000.00	\$ 415,000.00	

2022 CAPITAL IMPROVEMENT PLAN

Department	Project	Requested Cost	Capital Project Tax Levy	Intergovernmental Revenues	Other Sources	Water Revenue Bonds	Sewer Revenue Bonds	Notes
W/S	Cedar Street Reconstruction	\$ 535,000.00				\$ 285,000.00	\$ 250,000.00	
	Gridley Avenue Reconstruction	\$ 160,000.00				\$ 85,000.00	\$ 75,000.00	
	Hickory Street Reconstruction	\$ 340,000.00				\$ 180,000.00	\$ 160,000.00	
	Influent Pumping Design-Construction	\$ 160,000.00					\$ 160,000.00	
	UW-P Sewer Line	\$ 820,000.00			\$ 45,000.00		\$ 775,000.00	Requesting UW-P assist with relocation of lines.
	Standby Generator-Construction	\$ 1,350,000.00					\$ 1,350,000.00	
	Main Street Culvert	\$ 100,000.00				\$ 100,000.00		
	Primary Clarifier Skimmers	\$ 85,000.00					\$ 85,000.00	
	Sand Filter Bldg AHU	\$ 90,000.00		\$ 90,000.00				Funded by ARPA \$
	Boiler-Construction	\$ 150,000.00					\$ 150,000.00	
	Step Screen Bldg AHU	\$ 30,000.00		\$ 30,000.00				Funded by ARPA \$
	Primary/Intermediate Sludge Pumps	\$ 150,000.00					\$ 150,000.00	
	Chlorine Mixer	\$ 25,000.00					\$ 25,000.00	
	Project Design	\$ 40,000.00				\$ 20,000.00	\$ 20,000.00	
	W&S Copier	\$ 10,000.00				\$ 10,000.00		Funding by W/S cash reserves
	Water Meter Replacement Program	\$ 50,000.00				\$ 50,000.00		Funding by W/S cash reserves
Safety Equipment	\$ 15,000.00				\$ 15,000.00		Funding by W/S cash reserves	
Contingency	\$ 16,100.00					\$ 9,500.00	\$ 6,600.00	
GRAND TOTALS		\$ 4,126,100.00	\$ -	\$ 120,000.00	\$120,000.00	\$ 679,500.00	\$ 3,206,600.00	

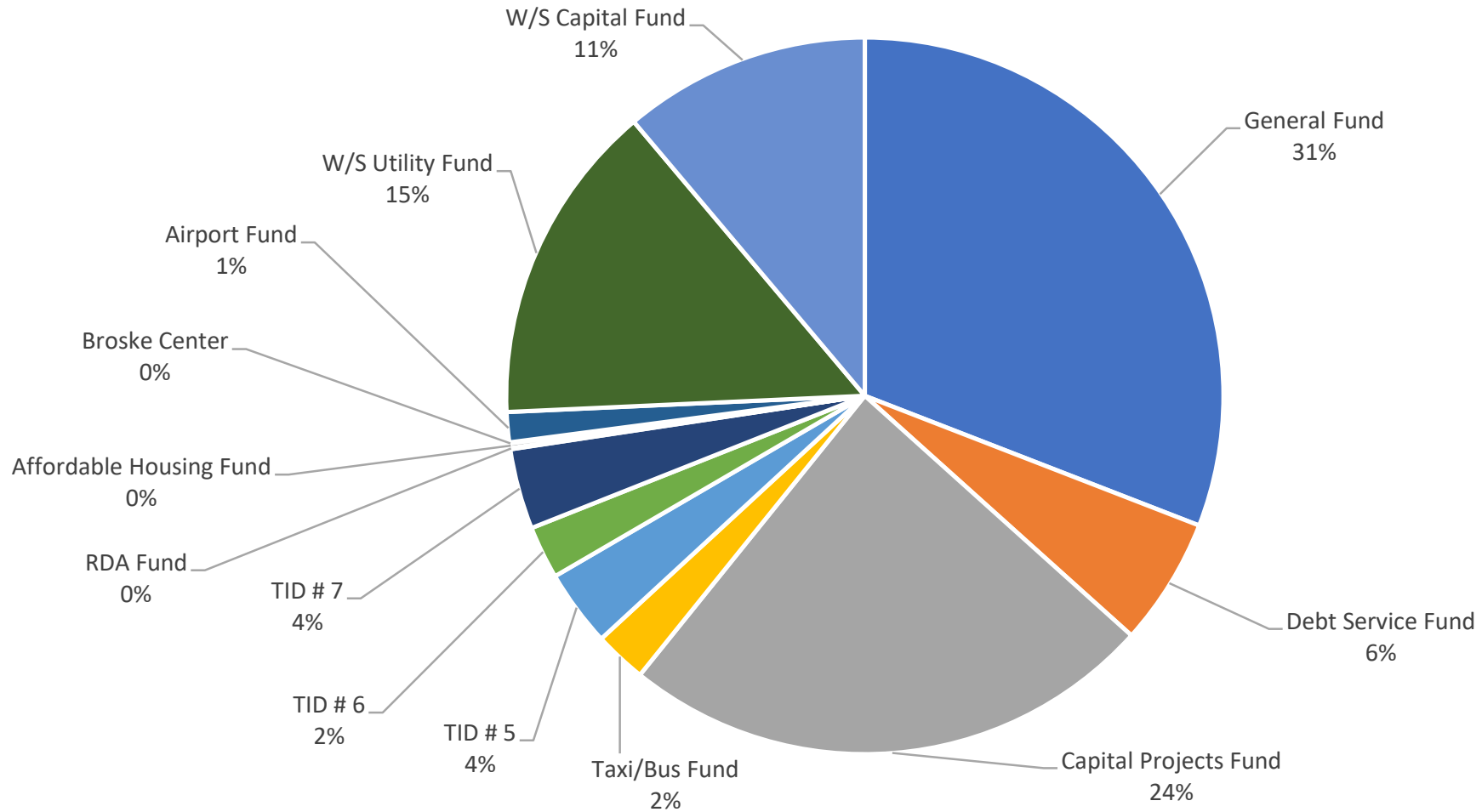
Department	Project	Requested Cost	Capital Project Tax Levy	Intergovernmental Revenues	Other Sources	Water Revenue Bonds	Sewer Revenue Bonds	Notes
W/S	McGregor Plaza Sewer	\$ 500,000.00						Recommending push back to 2023 consideration
GRAND TOTALS		\$ 500,000.00	\$ -					

2022 OPERATING BUDGET ARPA FUNDING RECOMMENDATIONS

Department	Project	Requested Cost	ARPA Funding Phase 1	ARPA Funding Phase 2
General Government	City Hall Phase 3A Renovation	\$ 150,000.00	\$ 100,000.00	
	IT Upgrades	\$ 56,000.00	\$ 56,000.00	
Police Department	City Wide Camera System	\$ 140,000.00	\$ 100,000.00	
DPW	Main Street Culvert	\$ 350,000.00		\$ 350,000.00
	Rountree Branch Streambank Stabilization	\$ 240,985.00		\$ 120,492.00
	Second St Sidewalk	\$ 90,000.00		\$ 25,000.00
W/S	Sand Filter Bldg AHU	\$ 90,000.00		\$ 90,000.00
	Step Screen Bldg AHU	\$ 30,000.00		\$ 30,000.00
Museum	Museum Safety, Security, Air Quality	\$ 45,890.00		\$ 16,800.00
TOTALS		\$ 1,192,875.00	\$ 256,000.00	\$ 632,292.00
		Remaining ARPA Funding Budget Allocation	\$ 20,000.00	Housing Authority Grant
			\$ 194,000.00	Stormwater Pond Project
			\$ 75,000.00	Housing Developer Incentive
			\$ 13,000.00	HVAC Study
			\$ 75,000.00	Broadband Provider Incentive
		Total	\$ 377,000.00	\$ 633,000.00

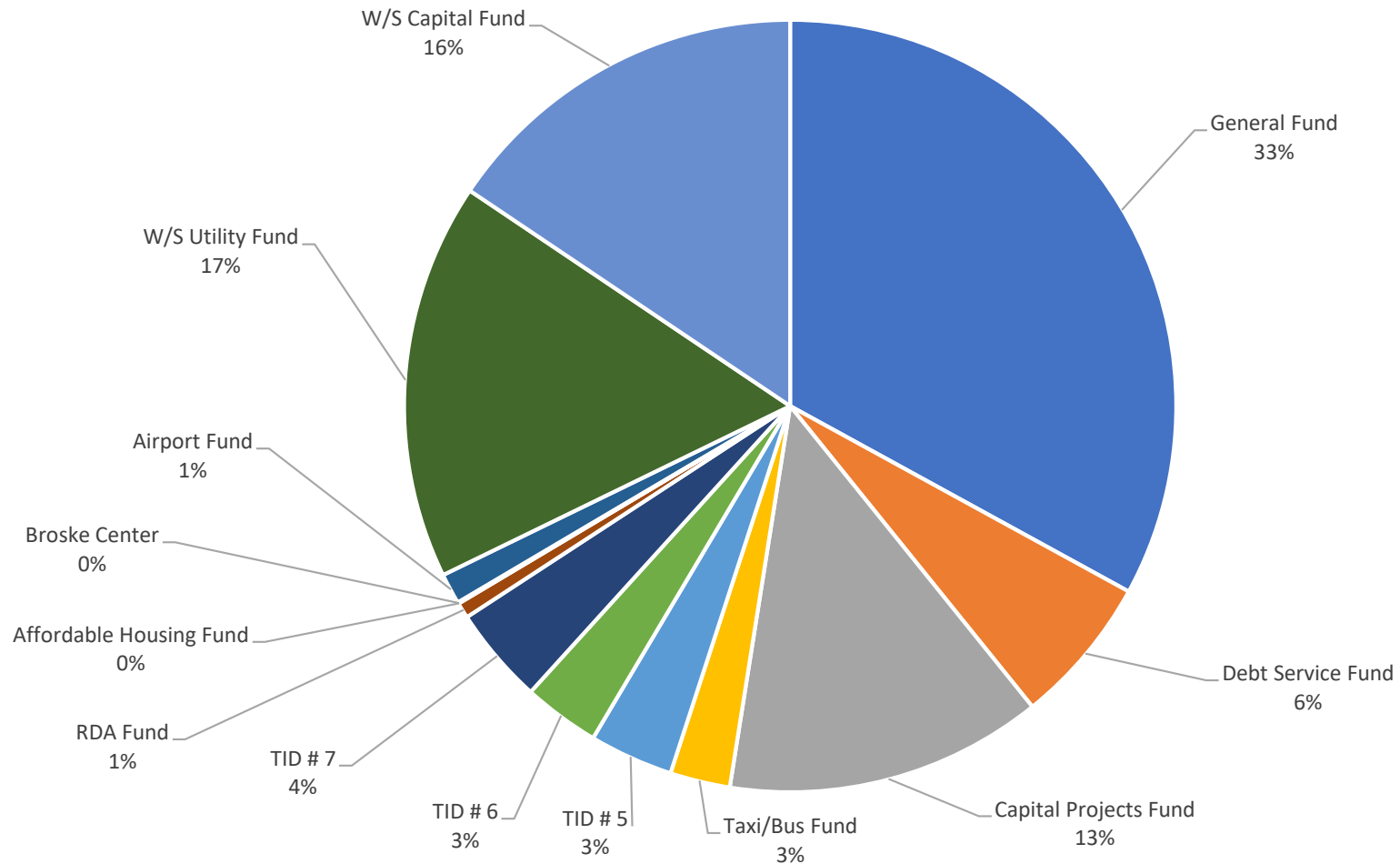
2022/2021 BUDGET COMPARISON

2021 Total Governmental Expenses



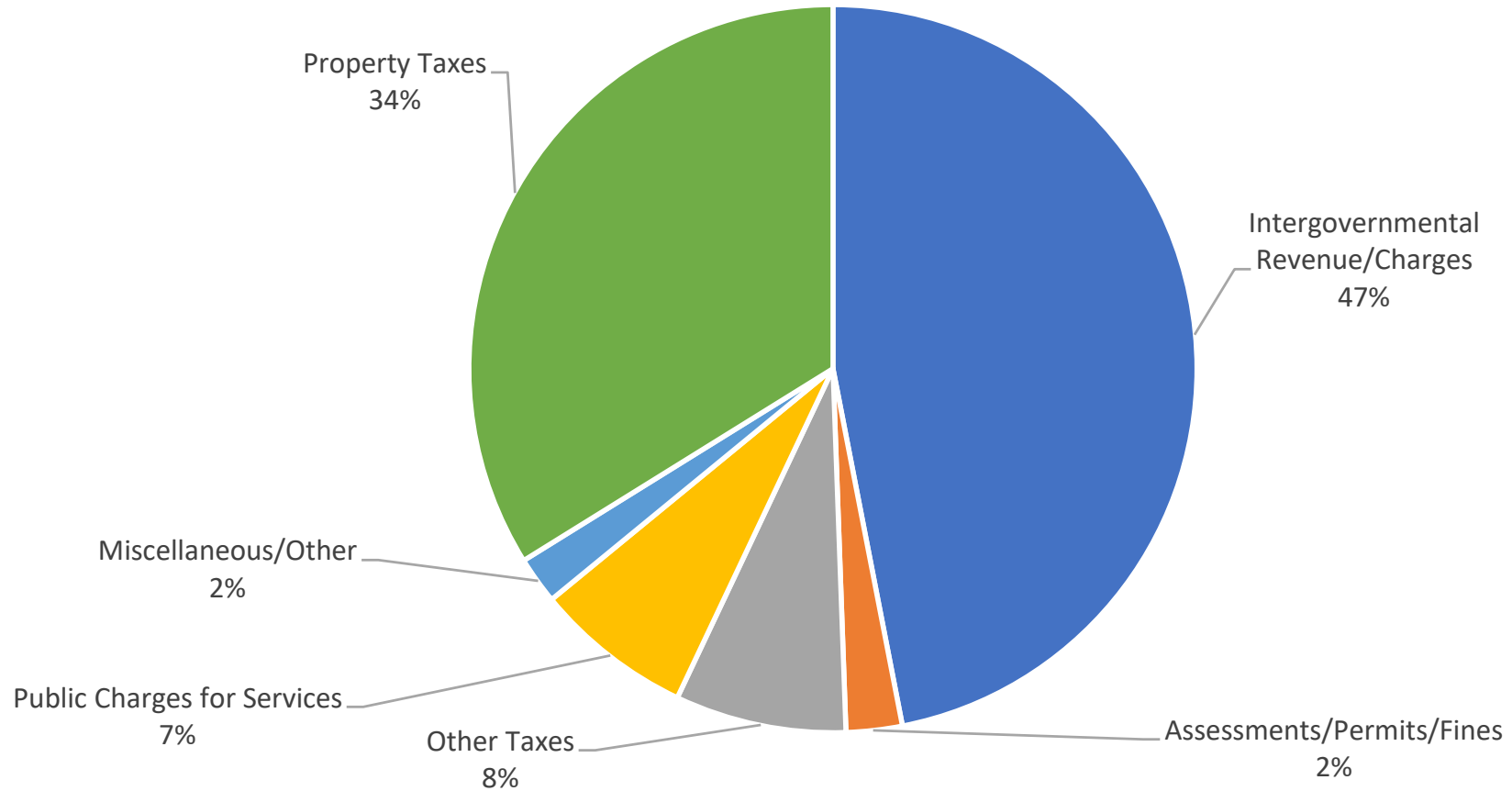
2022/2021 BUDGET COMPARISON

2022 Total Governmental Expenses



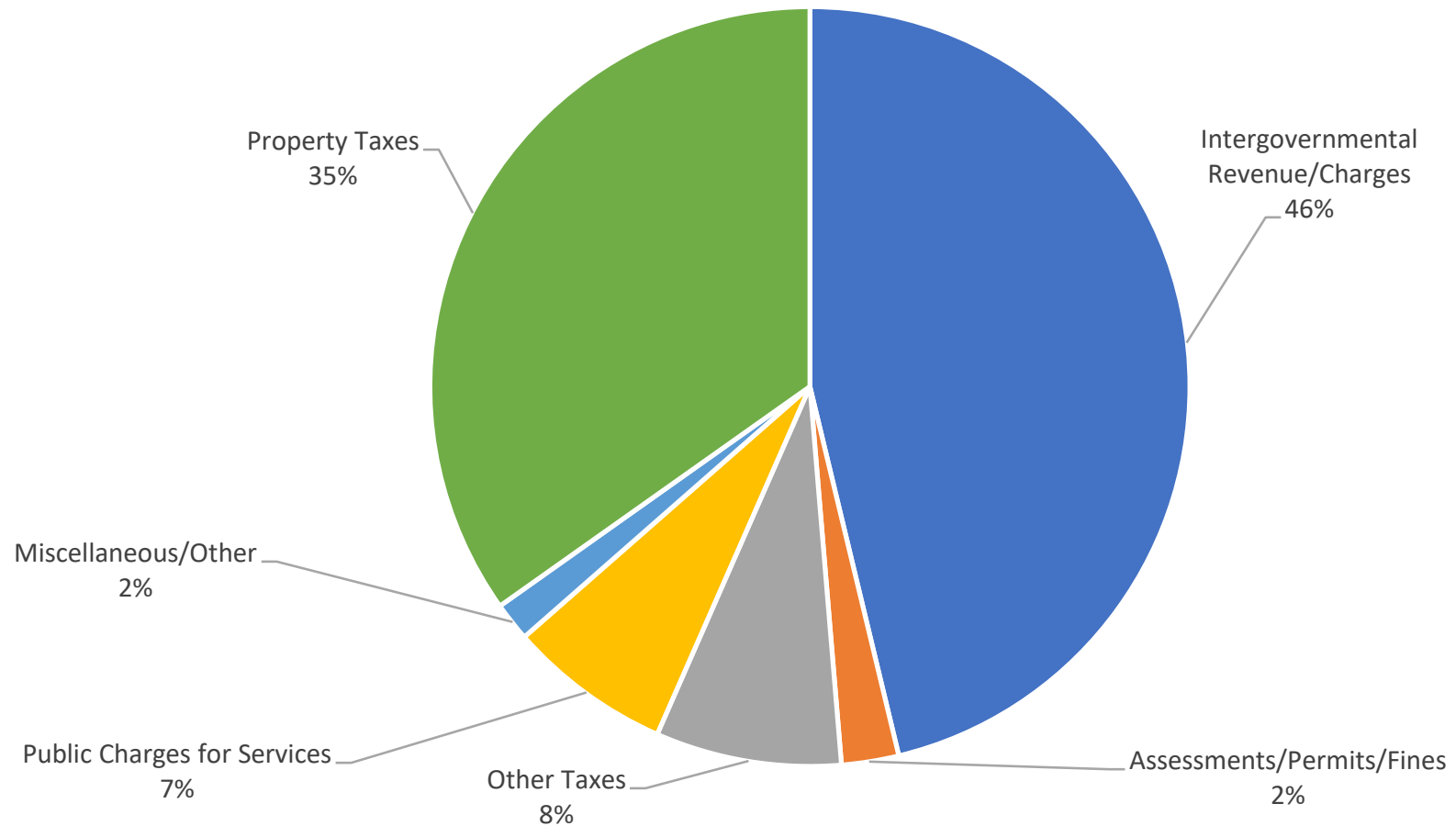
2022/2021 BUDGET COMPARISON

2021 General Fund Revenues



2022/2021 BUDGET COMPARISON

2022 General Fund Revenues

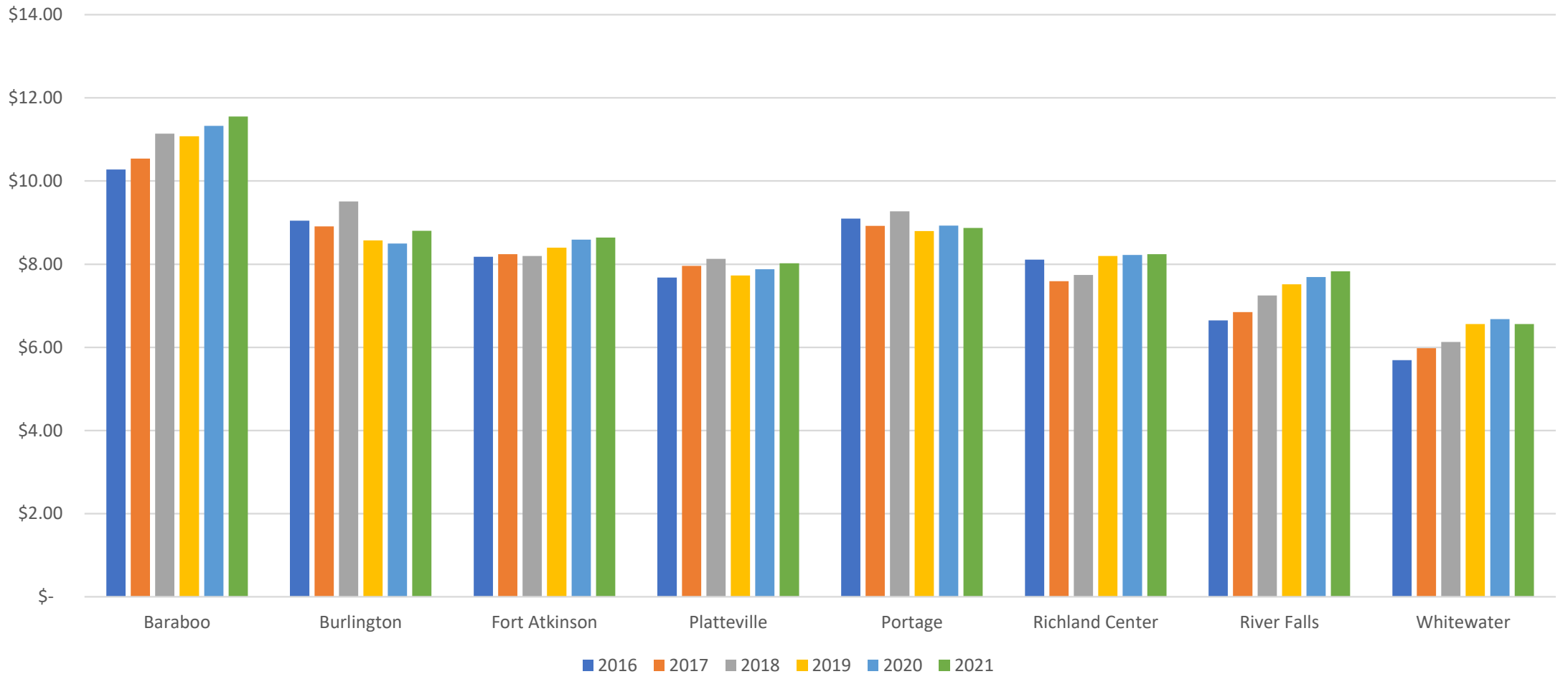


2021 CITY TAX IMPACT REVIEW

Assessed Tax Rate Comparison 2016-2021						
City	2016	2017	2018	2019	2020	2021
Baraboo	\$ 10.28	\$ 10.54	\$ 11.14	\$ 11.08	\$ 11.33	\$ 11.55
Burlington	\$ 9.05	\$ 8.91	\$ 9.51	\$ 8.57	\$ 8.50	\$ 8.81
Fort Atkinson	\$ 8.18	\$ 8.24	\$ 8.20	\$ 8.40	\$ 8.59	\$ 8.64
Platteville	\$ 7.68	\$ 7.96	\$ 8.13	\$ 7.73	\$ 7.88	\$ 8.02
Portage	\$ 9.10	\$ 8.92	\$ 9.27	\$ 8.80	\$ 8.93	\$ 8.87
Richland Center	\$ 8.11	\$ 7.59	\$ 7.74	\$ 8.20	\$ 8.22	\$ 8.24
River Falls	\$ 6.65	\$ 6.85	\$ 7.25	\$ 7.52	\$ 7.69	\$ 7.83
Whitewater	\$ 5.69	\$ 5.98	\$ 6.13	\$ 6.56	\$ 6.68	\$ 6.56

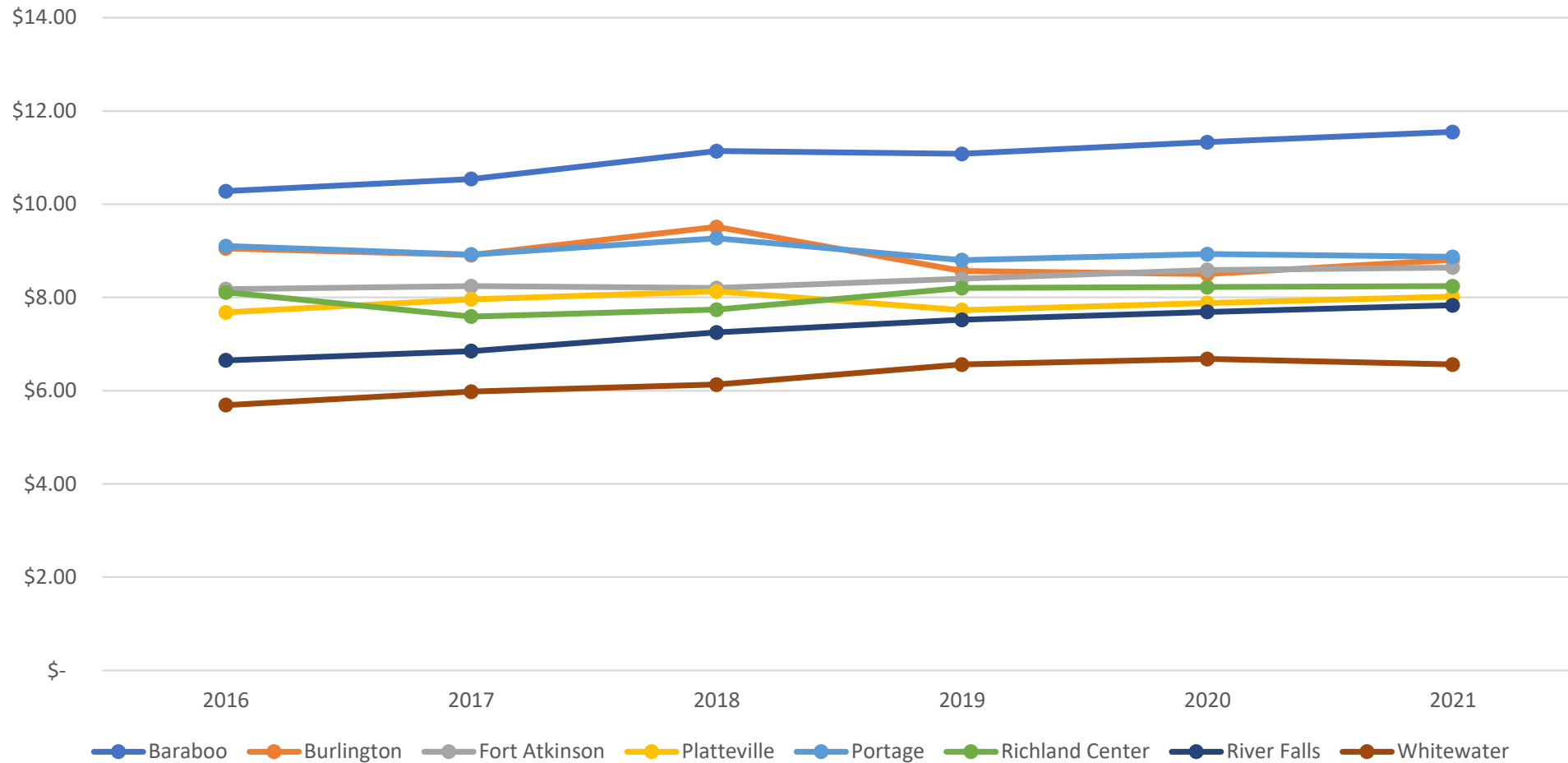
2021 CITY TAX IMPACT REVIEW

Municipal Assessed Tax Rate



2021 CITY TAX IMPACT REVIEW

Property Tax Rate 2016-2021



2022 CITY TAX PROPOSED IMPACT

Levy Summary

Fund	2022 Levy	2021 Levy	Change	% Change
General Fund	\$ 3,022,401.00	\$ 2,841,426.00	\$ 180,975.00	6.0%
Taxi/Bus Fund	\$ 45,000.00	\$ -	\$ 45,000.00	100.0%
Debt Service Fund	\$ 1,599,054.00	\$ 1,527,955.00	\$ 71,099.00	4.4%
Capital Improvement Fund	\$ 196,635.00	\$ 364,185.00	\$ (167,550.00)	-46.0%
TOTAL	\$ 4,863,090.00	\$ 4,733,566.00	\$ 129,524.00	2.7%

2022 CITY TAX PROPOSED IMPACT

Tax Impact

2021

- Mil rate 8.02

2022

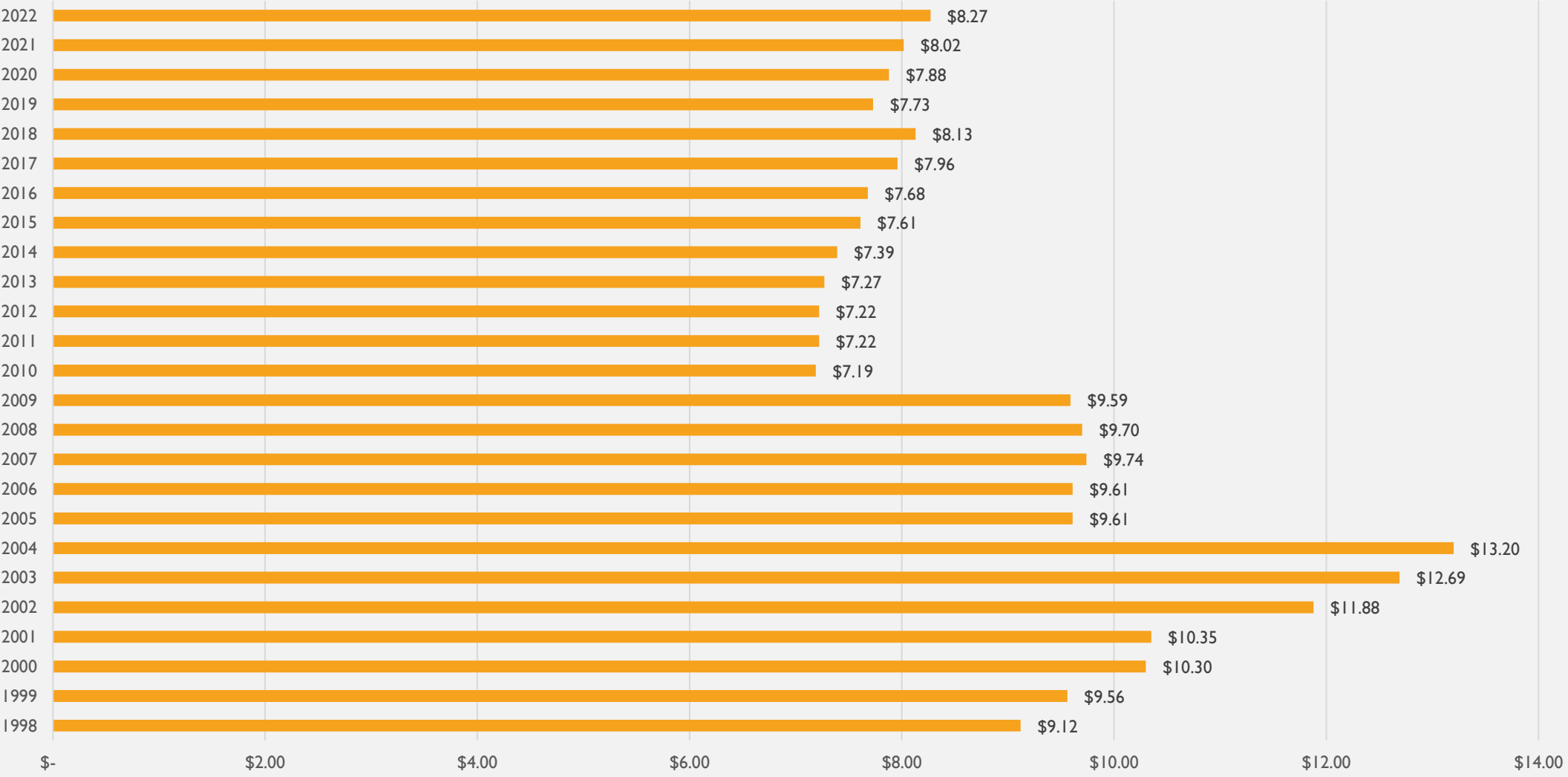
- Mil rate 8.27

Increase of \$0.25 per \$1,000 of assessed value.

An owner of a \$150,000 home would pay \$1,241 in City property taxes, up \$38 (\$3.17 per month) from 2021.

CITY OF PLATTEVILLE TAX RATE HISTORY

City of Platteville Assessed Tax Rate



CITY OF PLATTEVILLE TAX RATE HISTORY

Budget Year	City Tax Rate	Assessed Value of Platteville Home									
		\$ 150,000.00	Inc/Dec	\$ 200,000.00	Inc/Dec	\$ 250,000.00	Inc/Dec	\$ 300,000.00	Inc/Dec	\$ 350,000.00	Inc/Dec
2018	8.13	\$ 1,219.50		\$ 1,626.00		\$ 2,032.50		\$ 2,439.00		\$ 2,845.50	
2019	7.73	\$ 1,159.50	\$ (60.00)	\$ 1,546.00	\$ (80.00)	\$ 1,932.50	\$ (100.00)	\$ 2,319.00	\$ (120.00)	\$ 2,705.50	\$ (140.00)
2020	7.88	\$ 1,182.00	\$ 22.50	\$ 1,576.00	\$ 30.00	\$ 1,970.00	\$ 37.50	\$ 2,364.00	\$ 45.00	\$ 2,758.00	\$ 52.50
2021	8.02	\$ 1,203.00	\$ 21.00	\$ 1,604.00	\$ 28.00	\$ 2,005.00	\$ 35.00	\$ 2,406.00	\$ 42.00	\$ 2,807.00	\$ 49.00
2022	8.27	\$ 1,240.50	\$ 37.50	\$ 1,654.00	\$ 50.00	\$ 2,067.50	\$ 62.50	\$ 2,481.00	\$ 75.00	\$ 2,894.50	\$ 87.50
GRAND TOTAL		\$ 6,004.50	\$ 21.00	\$ 8,006.00	\$ 28.00	\$ 10,007.50	\$ 35.00	\$ 12,009.00	\$ 42.00	\$ 14,010.50	\$ 49.00

QUESTIONS???

Next Meeting: Tuesday, November 23, 2021, 7pm