

Pioneering the Good Life

M

PLATTEVILLE

W I S C O N S I N

PRESENTATION TO CITY COUNCIL
OCTOBER 10, 2017

Budget Calendar

Date	Meeting
August 22	Common council 2018 Goals Finalized
October 3	Common Council Budget Review Session (CIP)
October 10	2018 City Manager Budget Presented at Council Meeting
October 17	Common Council Budget Review Session
October 31	Common Council Budget Review Session (if needed)
November 21	Public Budget Presentation – 7pm Police Conference Room
November 28	Public Hearing for 2018 Budget and CIP



What is a Sustainable Budget?

Sustainability – Bond Rater

- ❖ The City has good financial policies
- ❖ The City is not unduly burdened by debt and has reasonable path to pay off its debt
- ❖ There is enough revenue to cover ongoing expenses
- ❖ There is good predictability in the City's ability to capture revenue(local economy)
- ❖ The City has sufficient cash reserves

Sustainability – City Manager

- ❖ The City's infrastructure is being maintained in a manner that will maximize life expectancy
- ❖ Ongoing funding exists to address the predictable replacement of equipment and repair buildings
- ❖ Debt is reserved for large capital projects that have an extended life
- ❖ Contingency funds exist within the budget for unexpected expenses and opportunities
- ❖ The City is able to pay a market competitive wage to attract talent and is known as a good, stable employer

Era of Difficult Tradeoffs

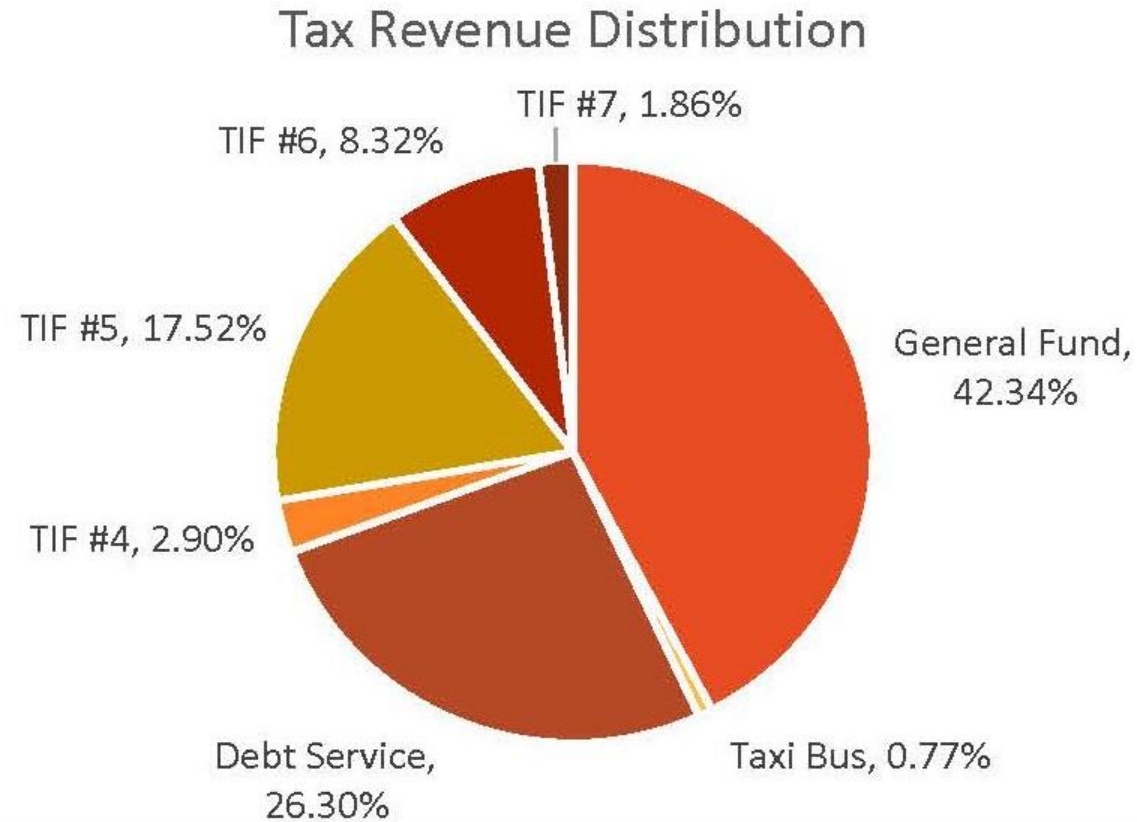


New initiatives are important because cities compete for resources, employers/jobs and residents.

As a service organization, the City needs to fund the cost of employees, equipment and vital infrastructure.

This needs to be accomplished in a era of diminished State support, levy limits and expenditure restraints.

2017 Tax Revenue Distribution



Source Data - City of Platteville Financial Statements



2017 Challenge

Projected Shortfall 2017

General Fund

- ❖ Estimated \$193,932 with no non-union wage increase
- ❖ Does not include money for CIP, equipment or contingency

Primary Drivers:

- ❖ \$201,311 Increase in debt service
- ❖ \$19,980 Partial ambulance service payment (\$117,658-\$97,678 in ambulance reserve)
- ❖ \$50,000 Stormwater mandate

TID	Estimated Fund Balance 12/31/16	Revenue	Expenses	Difference	City Responsibility
4	131,242	162,016	186,713	(24,697)	TID #4 Fund Balance will cover
5	7,446	1,022,737	409,331	613,406	0
6	<u>NEGATIVE</u>	483,374	642,862	(159,488)	<u>(159,488)*</u>
7	<u>NEGATIVE</u>	111,460	530,665	(419,205)	TID 5 can cover

* City will need to pay balance through general fund

Projected Shortfall 2018

General Fund

- ❖ Additional \$59,428 in City debt service
- ❖ Additional \$97,678 for ambulance

Assumes:

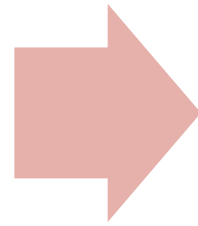
- ❖ No wage increases, funding for CIP, equipment or contingency
- ❖ Revenues stay the same
- ❖ No money is borrowed in 2016
- ❖ Continue to qualify for expenditure restraint program

TID	Revenue	Expenses	Difference	Estimated City Responsibility
4	162,016	183,213	(21,197)	TID Fund Balance Will Cover
5	1,013,598	399,706	613,892	0
6	464,394	711,462	(247,068)	<u>(247,068)*</u>
7	337,821	670,298	(332,477)	TID 5 can cover

* City will need to pay balance through general fund

To Add Perspective

1% Increase in
Property Taxes



Nets \$40,000
for the General
Fund

Way Forward

Decrease
Expenses



Increase
Revenues

New Revenue Sources

	Annual	Monthly
Property Taxes*	\$57.00	\$4.75
Ambulance Fee**	\$33.00	\$2.75
Motor Vehicle Registration***	\$20.00	\$1.66
TOTAL	\$110.00	\$9.16

*Property tax impact depends on a number of factors, including the value of the home. As a result, an exact number cannot be provided. The rough estimate above assumes a \$150,000 house.

**Assuming the fee is split evenly between all water and sewer customers

***Assumes one registered car

Expense Reductions

	2017	Additional for 2018
City Council Salary	\$15,000	
Rountree Gallery Support	\$16,000	
Museum Reduction	\$20,000	\$105,000
Senior Center Reduction	\$10,000	\$30,000
Administrative Support Reduction	\$10,000	
Public Works Reduction		\$50,000
<i>TOTAL</i>	\$71,000	\$185,000




FORWARD

2017 Progress

New Financial Tools

City of Platteville
Adopted November 22nd, 2016

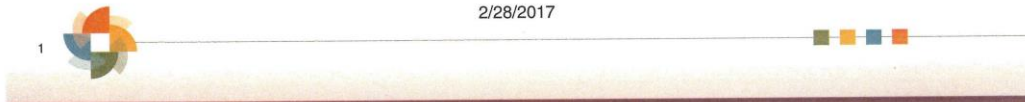
2017 Annual Budget



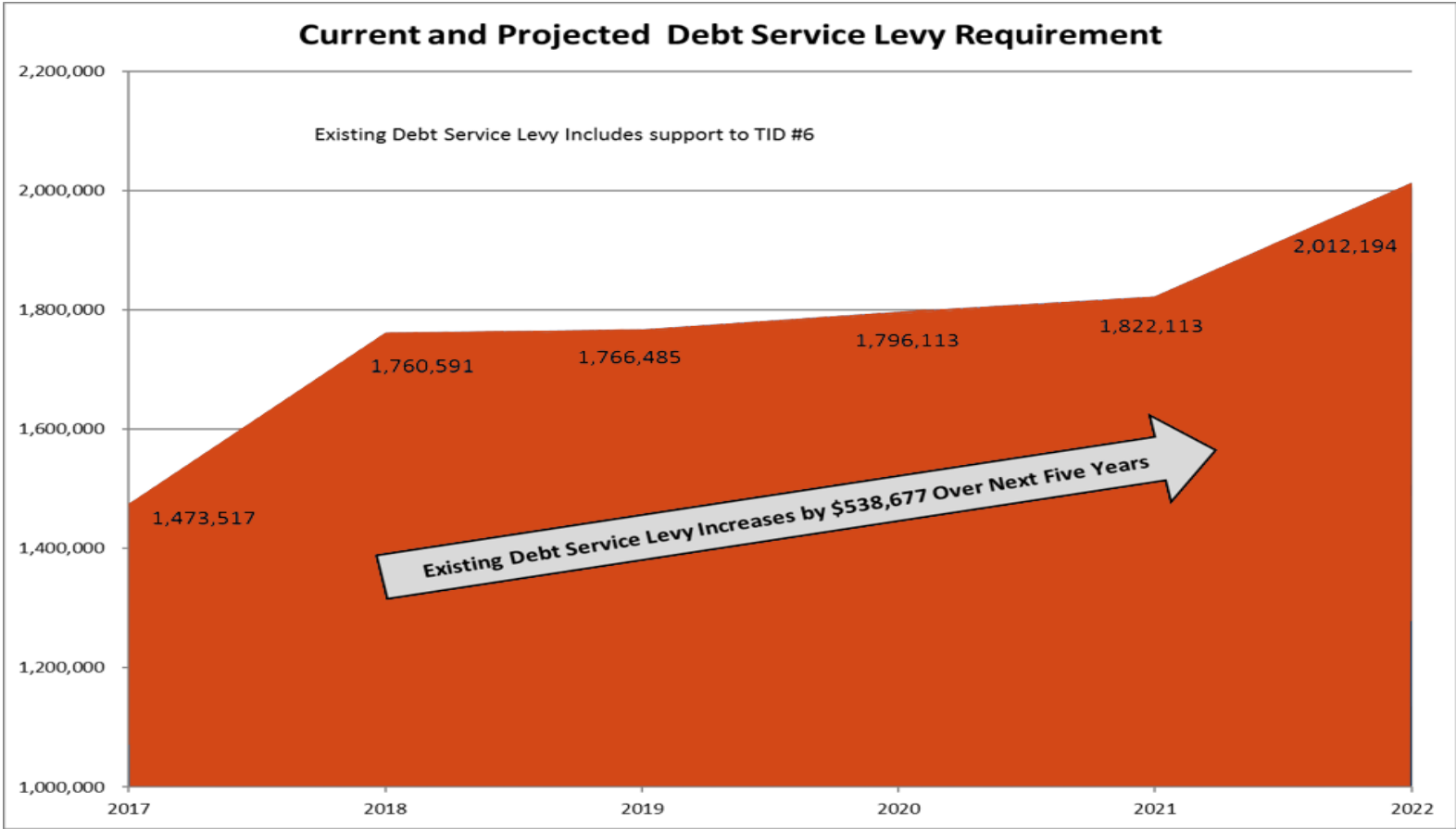
City of Platteville Financial Management Plan

Workshop No. 2

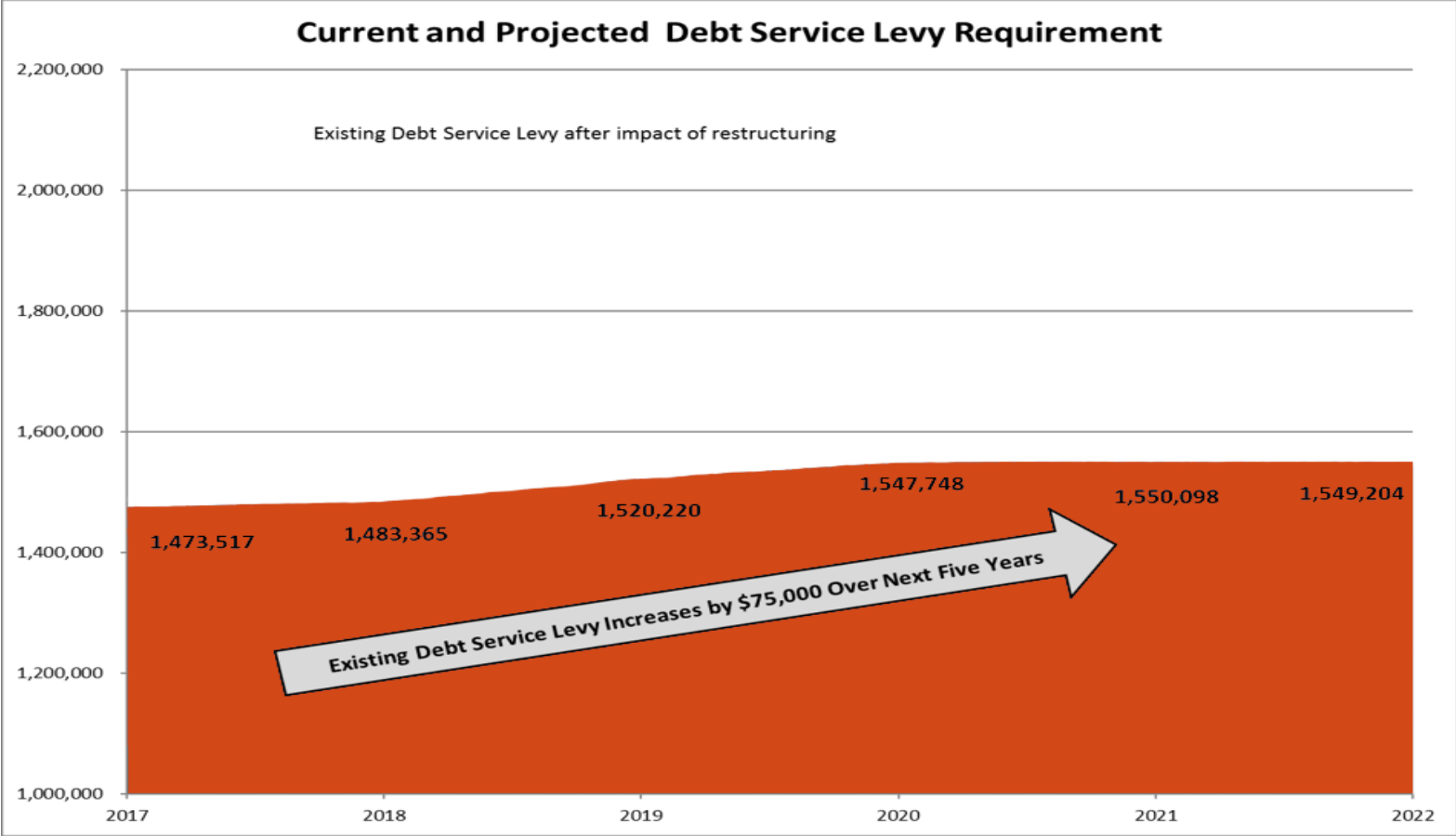
2/28/2017



Debt Schedule (Before)



Debt Schedule (After)



Rountree Gallery

- ❖ New committee formed
- ❖ New exhibition space in the Library
- ❖ New office space in City Hall
- ❖ Approx. 40,000 in Beining Trust monies available for transfer



Senior Center

- ❖ Relocated to OE Gray School
- ❖ Platteville Area Senior Services (PASS) commits to covering building expenses - over \$23,000 raised to date
- ❖ \$15,000 grant from Eckstein Foundation to cover transportation costs
- ❖ Bus traded in for new, more-functional van



Museums

- ❖ Adjusted hours and staffing
- ❖ \$25,000 IMLS grant for collections care
- ❖ Museum assessment completed
- ❖ Over \$38,000 raised to date





2018 Proposed Budget

2018 Council Themes

- ❖ Business
- ❖ Marketing
- ❖ Connections
- ❖ Housing
- ❖ Employee Relations
- ❖ Fiscal Sustainability



Funds for a Housing Study will come from the 2017 budget and sale of the Elm Street lots

Budget Changes

- ❖ 1% range adjustment to exempt and non-exempt compensation plans
- ❖ Employees would move to next highest step on compensation plan

Previously planned reductions in:

- ❖ Senior Center
- ❖ Museum
- ❖ Public Works (Streets)

Proposed CIP

Infrastructure Projects	Tax Levy	Debt/Bond	Other
Airport Ramp Resurface			\$1,800,000
Airport Fuel Farms			\$750,000
Pine Street (Water to Virgin)		\$280,000	
Virgin Avenue (Main to Business Hwy 151)		\$750,000	
Lutheran Street (Mineral to Furnace)		\$100,000	
Mineral Street Parking Lots	\$55,000		\$45,000
Legion Field Parking Lot		\$80,000	
Hillside Cemetery Street			\$35,000
Prairie View Soccer – Phase 1			\$35,000

Proposed CIP

Equipment	Department	Tax Levy	Other
Mini-Pumper Truck	Fire	\$153,000	\$47,000
Inspection Vehicle	Fire	\$37,000	
Mower	Parks	\$30,000	
Squad Car	Police	\$36,000	
IT Projects	Administration	\$38,000	
Street Sweeper	Streets	\$260,000	
End Loader	Streets	\$68,000	
Taxi Vehicle	Public Transportation	\$8,000	
Transit Bus	Public Transportation		\$142,110

Proposed CIP

Other	Tax Levy	Other
Sidewalk Repair	\$25,000	
Street Overlays	\$30,000	\$120,000
Highway Striping	\$30,000	
Park Signs	\$10,000	
Art Hall Challenge	\$50,000	\$150,000
Bike Lane	\$7,000	\$5,000
Pickleball Courts		\$40,000
City Hall Stone Work	\$15,000	
City Hall Interior Remodel Work	\$25,000	

CIP Funding

- ❖ In accordance with the City's long range financial plan, the City would issue an amount of general fund debt equal to or less than the amount of debt being retired.
- ❖ The City's financial policy requires that GF Unassigned Fund balance be maintained at a level equal to 20% of general fund expenditures.
- ❖ Of the 2016 GF Unassigned Fund balance of \$2,555,478, \$472,443 is being utilized to fund 2018 CIP, leaving \$2,083,035 which represents 25.6% of 2017 GF budgeted expenditures.

Source	Amount
Tax Levy	\$405,000
GF Unassigned Fund	\$472,443
Debt/Bonds	\$1,210,000
Other	\$3,166,110
TOTAL	\$2,703,553

Proposed Levy Increase

- ❖ Proposed budget results in **2.5%** increase in the general fund levy.
- ❖ The actual impact on individual taxpayers will be less due to growth in the tax base.

TID Results

Changes in TID Equalized Values				
TID	2016 TID Value	2017 TID Value	Dollar Change	% Change
4	\$10,507,500	\$10,727,900	\$220,400	2
5	\$44,136,700	\$40,953,400	-\$3,183,300	-7
6	\$28,689,600	\$30,839,800	\$2,150,200	7
7	\$34,186,600	\$36,560,800	\$2,374,200	7

For more information on the dark store tax loophole visit:
<http://www.lwm-info.org/1279/Dark-Store-Tax-Loophole>



Next Meeting: October 17, 2017