

**CITY OF**

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**PLATTEVILLE**



2023 CITY DRAFT OPERATING BUDGET  
PRESENTATION TO COMMON COUNCIL  
NOVEMBER 22, 2022

## 2023 CITY BUDGET QUOTE

**“ Our goals can only be reached through a vehicle of a plan, in which we must fervently believe, and upon which we must vigorously act. There is no other route to success.”**

**-Picasso**

# 2023 CITY BUDGET TIMELINE

October 2022	Tuesday Oct 4	*	6pm: Common Council review session – 2023 CIP Budget
	Monday Oct 10		Airport Commission approval of 2023 Airport Budget
	Tuesday Oct 11		Presentation of City Manager budget at Council meeting
	Wednesday Oct 12		Water/Sewer Commission approval of 2023 Utility Budget
	Tuesday Oct 18	*	6pm: Common Council review session – Department Operational Budgets
	Tuesday Oct 25		5pm: Common Council budget review session (if needed)
	Thursday Oct 27		Submit notice of public hearing for the 2023 Budget to the Platteville Journal
	Thursday Oct 27		Issue press release for Public presentation of the proposed budget
November 2022	Monday Nov 14		City Manager presentation of the proposed budget to the public
	Tuesday Nov 22		Public hearing for City of Platteville Budget and Council adoption of the Budget

Council meetings (\* represents Special meeting)

Water Sewer meetings

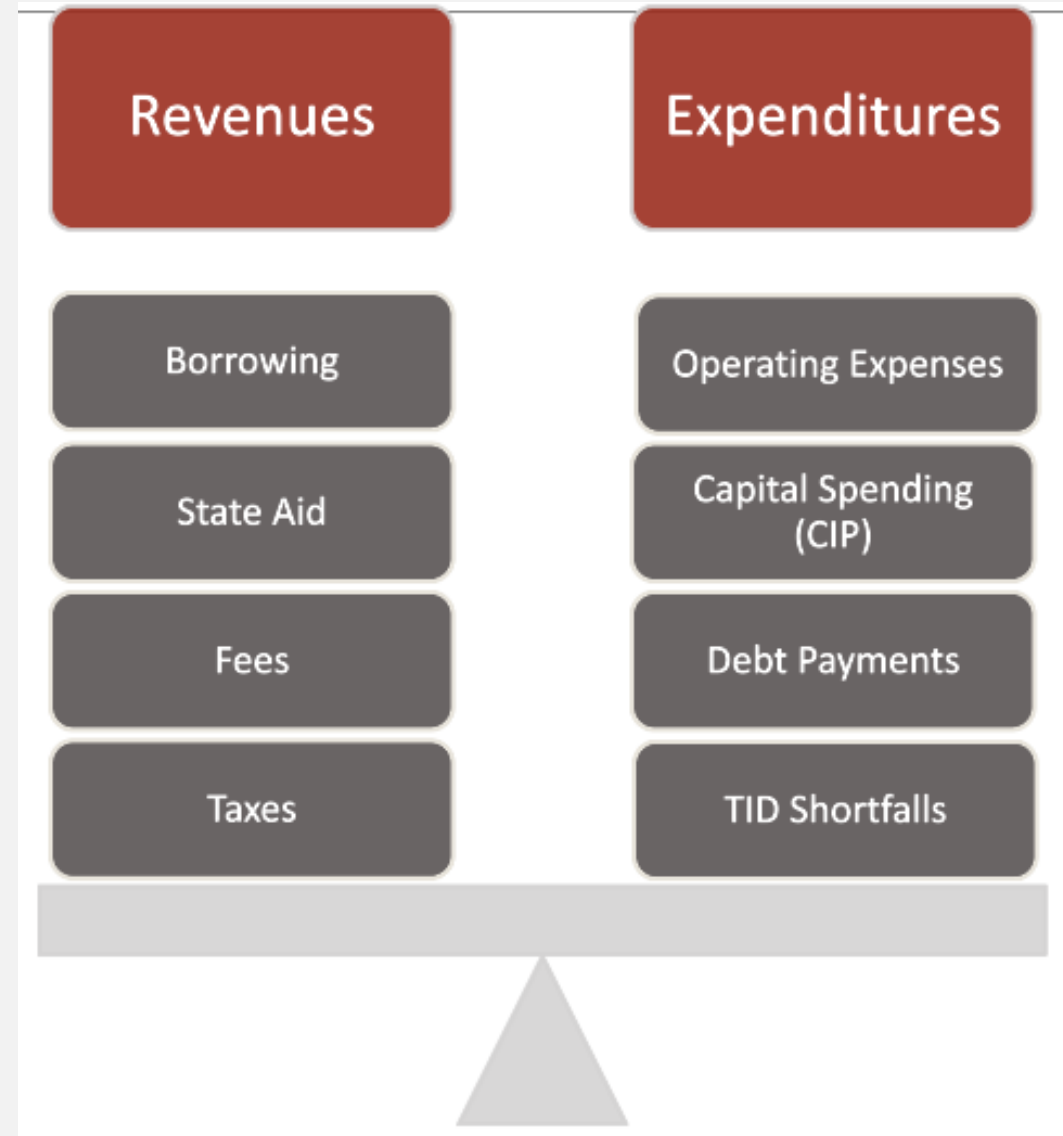
Airport meetings

# BUDGET PRESENTATION GAME PLAN

- Budget Basics
- Financial Outlook/Considerations
- 2023 City Budget Initiatives
- 2023 City Budget Increases/Decreases
- 2023 City Capital Improvement Plan
- 2023/2022 Budget Comparison
- 2022 City Tax Impact Review
- 2023 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**
  - 2022 Equalized Value - \$852,503,800
  - State Borrowing Limit is  $\$852,503,800 \times 5\% = \$42,625,190$
  - Principal Outstanding in 2022 is \$19,450,098, 45.6%
- **City Debt Limit Policy of 3.5% of Equalized Value**
  - City Policy Limit of  $\$852,503,800 \times 3.5\% = \$29,837,633$
  - Principal Outstanding in 2022 is \$19,450,098, 65.2%



# 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 \$535,075 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 2022 the anticipated principal paid off for levy supported financial borrowing is \$1,355,000.

# 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 due to inflation are expected to outpace net new construction.
- ❖ it is anticipated TID 6 will not require levy support due to projected growth and the approval of the 6-year extension.
- ❖ net new construction this year was 0.42% - \$3,201,300
  - ❖ T. Platteville-0.62% - \$927,800      Lancaster – 2.30% - \$6,634,000      Belmont-1.17% - \$744,600
  - ❖ Whitewater – 2.65% - \$2,648,900      River Falls – 2.74% - \$22,509,700      Baraboo-1.15% - \$11,412,700
- ❖ sustaining \$537,075 of annual support for CIP will require use of general fund 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 in 2023 & 2024 due to debt service requirements.

# 2023 CITY MANAGER BUDGET

- Budget “Drivers”

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

## 2023 BUDGET INITIATIVES

- Proposed 5% wage increase for all nonunion city staff members except City Manager Position. Impact to budget approximately of \$123,000
- Proposed Wisconsin Professional Police Association wage increases of 5% to align with compensation plan. Impact to budget of approximately \$45,000.
- Proposed step increase for all eligible employees in recognition of honoring 2016 City of Platteville Compensation Plan. Impact to budget of approximately \$14,000.

## 2023 BUDGET INITIATIVES

- Proposal to contract with Southwestern Wisconsin Regional Planning Commission to provide geographic information system mapping services (GIS). Impact to budget of \$20,000.
- Proposed implementation of year one of long-term staffing analysis increases for identified staffing positions. Impact to budget will be absorbed by \$65,000 reduction of GIS position becoming contracted and increases to museum revenue from store sales and new exhibits.
- Proposed increases to expenditure line items impacted by inflation. Gas, utilities, supplies, etc.

# 2023 OPERATING EXPENSES INCREASES

## OPERATING EXPENSES INCREASE GREATER THAN \$10,000

Health insurance increases (rate & enrollment)	90,000
Step increase for eligible employees	14,000
5% increase/longevity for Police Officers	45,000
5% increase for all non-union employees	123,000
Year One Staffing Plan Changes	70,000
Property/Liability Insurance estimate	17,555
Local Room Tax Contribution	45,500
Interest on Long Term Debt	14,854
Street Maintenance Equipment Repairs	10,000
GIS Contracted Services	20,000
<b>TOTAL</b>	<b>449,909</b>



# 2023 OPERATING EXPENSES DECREASES

OPERATING EXPENSES DECREASES GREATER THAN \$10,000

GIS Specialist Position Reduction	79,000
Unfilled Police Officer	88,000
Elections: Other Wages	12,000
<b>TOTAL</b>	<b>179,000</b>

# 2023 OPERATING REVENUE INCREASES

OPERATION REVENUE INCREASES GREATER THAN \$10,000

Local Room Tax	75,000
Interest	84,500
Sale of Street Department Items	10,000
County Library Funding	25,670
<b>TOTAL</b>	<b>195,170</b>

## 2023 OPERATING REVENUE DECREASES

OPERATION REVENUE DECREASES GREATER THAN \$10,000

State Aid Municipal Service Payment	54,591
Municipal Owned Utilities	19,674
OE Gray Building Rent	10,020
General Transportation Aids	13,500
<b>TOTAL</b>	<b>97,785</b>

# 2023 CAPITAL IMPROVEMENT PLAN

Department	Project	Priority Ranking	Requested Cost	Capital Project Levy	General Fund Reserve	TIF Funds	Wheel Tax	Grants/ Trusts / Foundation	General Obligation Debt	Other Funds	Amount Not Funded
General Government	City Hall Phase 3A Renovation	4	\$ 50,000.00	\$ 50,000.00							
	City Hall Elevator Control Boards	5	\$ 80,000.00						\$ 80,000.00		
	IT Infrastructure Improvements		\$ 50,000.00		\$ 50,000.00						
	Inucbator Parking Lot	3	\$ 75,000.00			\$ 75,000.00					
Police Department	Portable Radios	5	\$ 10,000.00		\$ 10,000.00						
	Radio System Upgrade	5	\$ 175,000.00		\$ 20,000.00				\$ 155,000.00		
	Radio Repeater	5	\$ 42,000.00						\$ 42,000.00		
DPW	Street Repair & Maintenance	3	\$ 110,000.00				\$ 110,000.00				
	Highway Striping	3	\$ 30,000.00		\$ 30,000.00						
	Sidewalk Repair	3	\$ 30,000.00		\$ 30,000.00						
	Alleys	3	\$ 30,000.00		\$ 20,000.00						\$ 10,000.00
	2.5 Ton Dump Truck	4	\$ 55,000.00						\$ 55,000.00		
	Trail Maintenance	1	\$ 10,000.00		\$ 10,000.00						
	Jefferson Street Reconstruction	4	\$ 600,000.00						\$ 600,000.00		
	End Loader Plow	3	\$ 50,000.00						\$ 50,000.00		
	Roadside Mower-Tractor	3	\$ 30,000.00		\$ 30,000.00						
	Street Garage Roof	4	\$ 230,000.00		\$ 9,000.00				\$ 221,000.00		
	TID 5 Sidewalk	3	\$ 60,000.00			\$ 60,000.00					
	Non-Motorized Comp Plan	1	\$ 46,000.00		\$ 9,200.00			\$ 36,800.00			
	Fasetnal Storm Sewer	3	\$ 25,000.00	\$ 25,000.00							
	Forklift	3	\$ 17,000.00		\$ 17,000.00						
	Tire Machine	1	\$ 12,000.00		\$ 12,000.00						
Paint Machine	3	\$ 12,000.00		\$ 12,000.00							
Brine Tank Trailer	3	\$ 11,000.00		\$ 11,000.00							

# 2023 CAPITAL IMPROVEMENT PLAN

Department	Project	Priority Ranking	Requested Cost	Capital Project Levy	General Fund Reserve	TIF Funds	Wheel Tax	Grants/ Trusts / Foundation	General Obligation Debt	Other Funds	Amount Not Funded
Parks	Parks Mowers	5	\$ 25,000.00	\$ 25,000.00							
	Silo Shelter	2	\$ 30,000.00					\$ 30,000.00			
	Electronic Access Fence	2	\$ 25,000.00						\$ 25,000.00		
	Pool Hot Water Heater	3	\$ 10,000.00		\$ 10,000.00						
	Security Cameras	2	\$ 50,000.00							\$50,000.00	
Library	2023-2027 Tech Replacement	3	\$ 23,000.00		\$ 11,500.00			\$ 11,500.00			
	Community Room Replacement	2	\$ 26,000.00		\$ 13,000.00			\$ 13,000.00			
	Lactation Space	3	\$ 22,000.00		\$ 11,000.00			\$ 11,000.00			
	Repainting Walls	3	\$ 12,000.00		\$ 6,000.00			\$ 6,000.00			
	Floor Cleaning Equipment	2	\$ 10,500.00		\$ 5,250.00			\$ 5,250.00			
Museum	Museum Parking	2	\$ 90,000.00						\$ 90,000.00		
	Energy Audit	3	\$ 64,000.00					\$ 64,000.00			
	Rock School Improvements	5	\$ 25,000.00		\$ 25,000.00						
Fire	Portable Radios	5	\$ 25,000.00		\$ 25,000.00						
	Fire Station-Phase 1	5	\$ 7,000,000.00					\$ 7,000,000.00			
	Fire Air Packs	5	\$ 371,250.00		\$ 37,125.00			\$ 334,125.00			
	Radio Repeater	5	\$ 37,000.00						\$ 37,000.00		
Taxi	Taxi Vehicle	1	\$ 40,000.00		\$ 8,000.00			\$ 32,000.00			
	Bus Vehicle	1	\$ 110,000.00					\$ 88,000.00		\$22,000.00	
Airport	CIP Project Match	1	\$ 15,000.00		\$ 15,000.00						
<b>GRAND TOTALS</b>			<b>\$ 9,850,750.00</b>	<b>\$100,000.00</b>	<b>\$437,075.00</b>	<b>\$135,000.00</b>	<b>\$ 110,000.00</b>	<b>\$ 7,631,675.00</b>	<b>\$ 1,355,000.00</b>	<b>\$72,000.00</b>	<b>\$10,000.00</b>

2022 Principal	\$ 1,355,000.00
20 YR Bond	\$ 973,000.00
10 YR Note	\$ 382,000.00

# 2023 W/S CAPITAL IMPROVEMENT PLAN

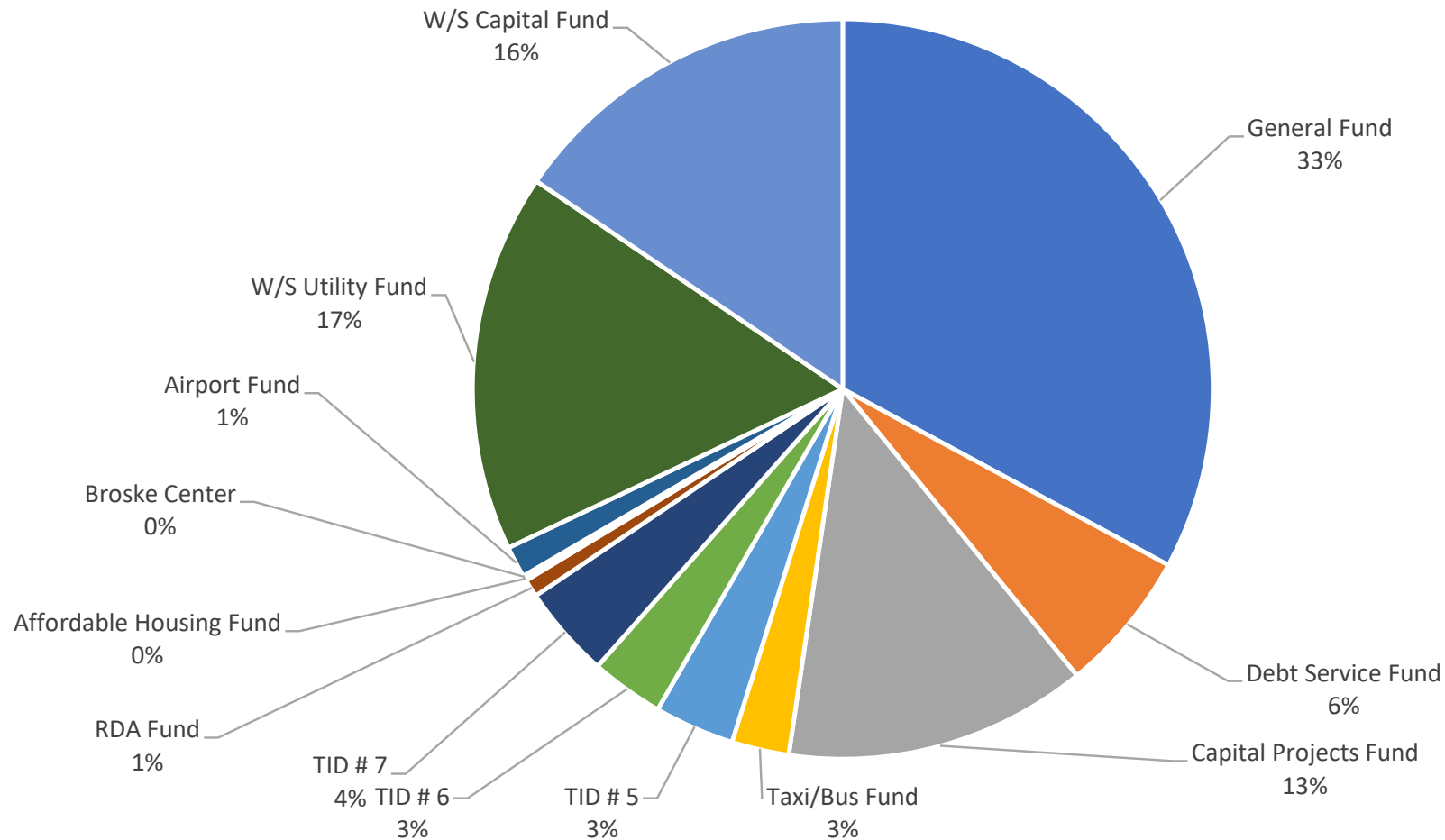
Department	Project	Priority Ranking	Requested Cost	Water Revenue Bonds	Sewer Revenue Bonds	Cash on Hand
W/S	Project Design	3	\$ 70,000.00	\$ 20,000.00	\$ 50,000.00	
	Water Meter Replacement Program	3	\$ 50,000.00			\$50,000.00
	Contingency	3	\$ 25,000.00	\$ 12,500.00	\$ 12,500.00	
	Safety Equipment	3	\$ 10,000.00			\$10,000.00
	Standby Generator Design-Construction	4	\$ 165,000.00		\$ 165,000.00	
	Jefferson Street Reconstruction	5	\$ 600,000.00	\$312,000.00	\$ 288,000.00	
	McGregor Plaza Sewer	4	\$ 600,000.00		\$ 600,000.00	
	Sand Filter Controls	4	\$ 200,000.00		\$ 200,000.00	
	2010 Vacuum	3	\$ 185,000.00	\$ 92,500.00	\$ 92,500.00	
	Sludge Boiler Rehab	4	\$ 150,000.00		\$ 150,000.00	
	Digester Cleaning and Inspection	3	\$ 100,000.00		\$ 100,000.00	
	Digester Sludge Pump	4	\$ 55,000.00		\$ 55,000.00	
	Backhoe Trade In	3	\$ 45,000.00	\$ 22,500.00	\$ 22,500.00	
	WWTP SCADA	5	\$ 35,000.00		\$ 35,000.00	
	Well 3 Rehab	4	\$ 35,000.00	\$ 35,000.00		
	Flare Control Valve	5	\$ 23,000.00		\$ 23,000.00	
	Primary Digester Relief Valve	5	\$ 15,000.00		\$ 15,000.00	
<b>GRAND TOTALS</b>			<b>\$2,363,000.00</b>	<b>\$494,500.00</b>	<b>\$1,808,500.00</b>	<b>\$60,000.00</b>

# 2023 CAPITAL IMPROVEMENT PLAN REQUEST UNABLE TO FUND

Department	Project	Priority Ranking	Requested Cost
Police Department	Squad Car Replacement	5	\$ 52,000.00
	Facilities Contingency Fund	5	\$ 10,000.00
DPW	Sowden Street Reconstruction	1	\$ 97,320.00
	Henry Street Reconstruction	1	\$ 83,500.00
	Grace street Reconstruction	3	\$ 75,000.00
	Snow Blower #12	3	\$ 209,000.00
	Smart Poles	1	\$ 60,000.00
	Jackson St. Curb	3	\$ 12,000.00
Parks	Park Playground Contingency	2	\$ 12,500.00
	Water Fountains	3	\$ 10,000.00
	Pickup Truck	5	\$ 65,000.00
	Moundview Campground Parking	2	\$ 28,000.00
	Highland Parking	2	\$ 15,000.00
Museum	Hanmer Robbins Improvements	5	\$ 43,000.00
Fire	Bulding Contingency Fund	3	\$ 10,000.00
	Equipment Contingency Fund	3	\$ 10,000.00
<b>GRAND TOTALS</b>			<b>\$ 792,320.00</b>

# 2023/2022 BUDGET COMPARISON

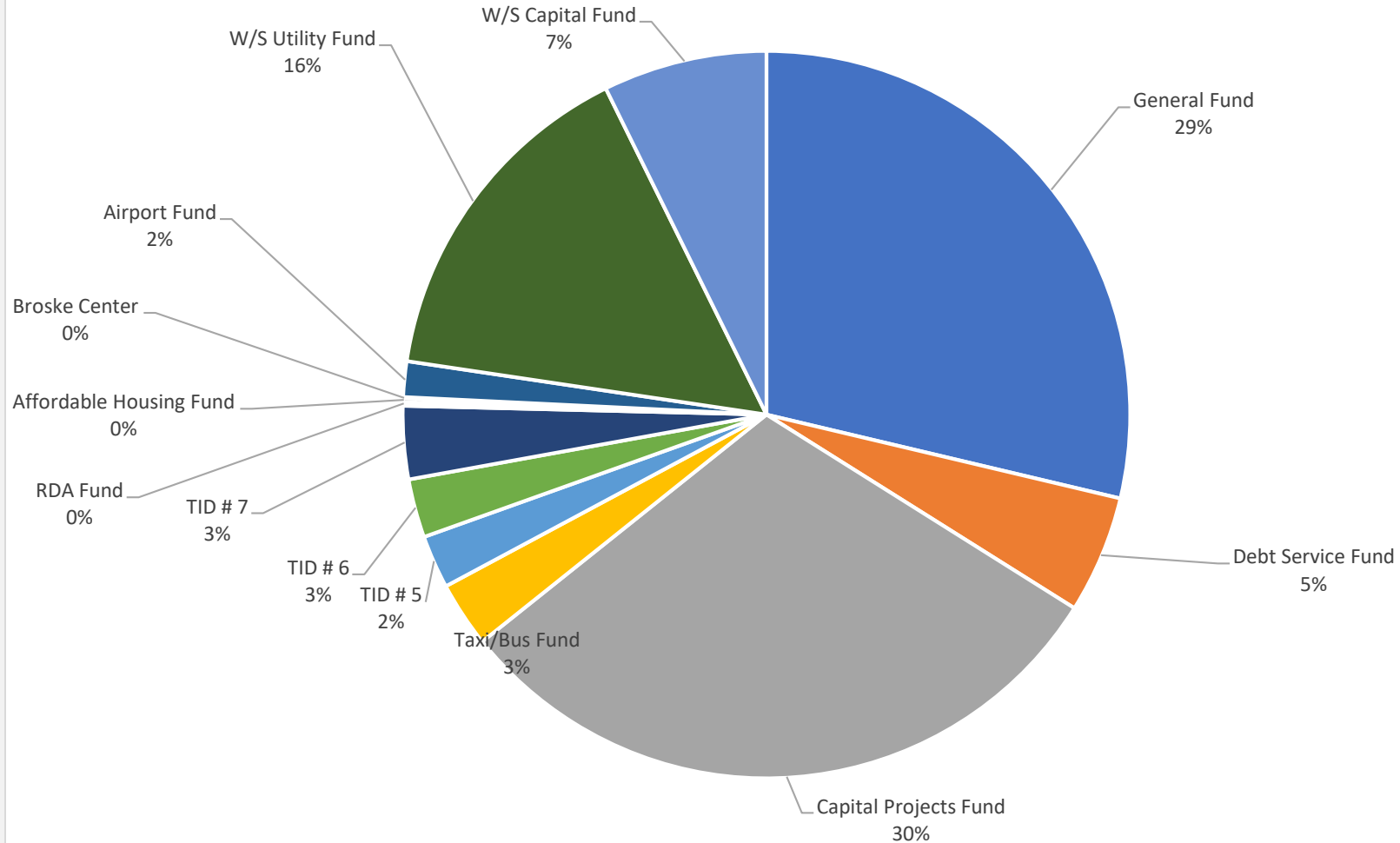
2022 Total Governmental Expenses





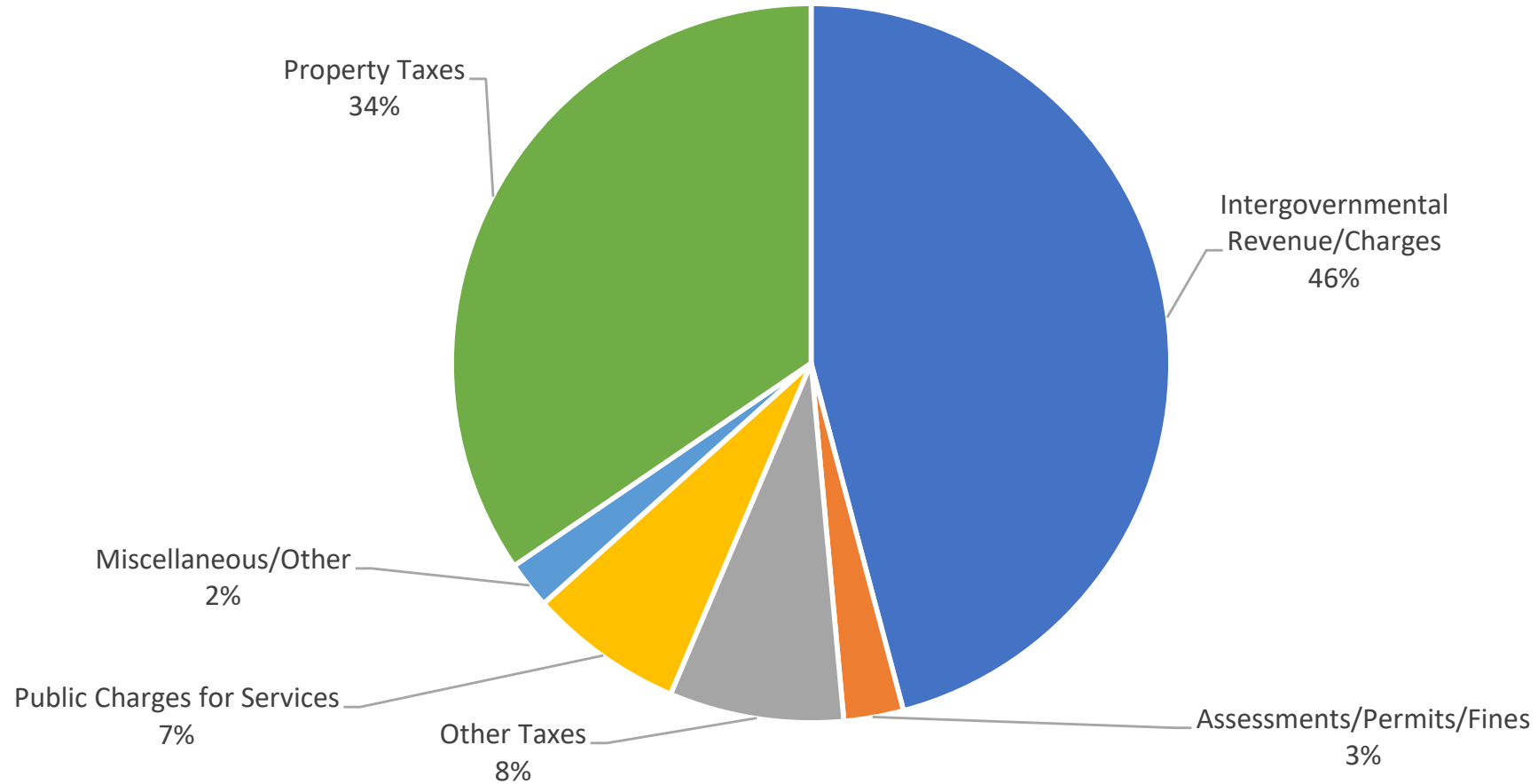
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2023 Total Governmental Expenses



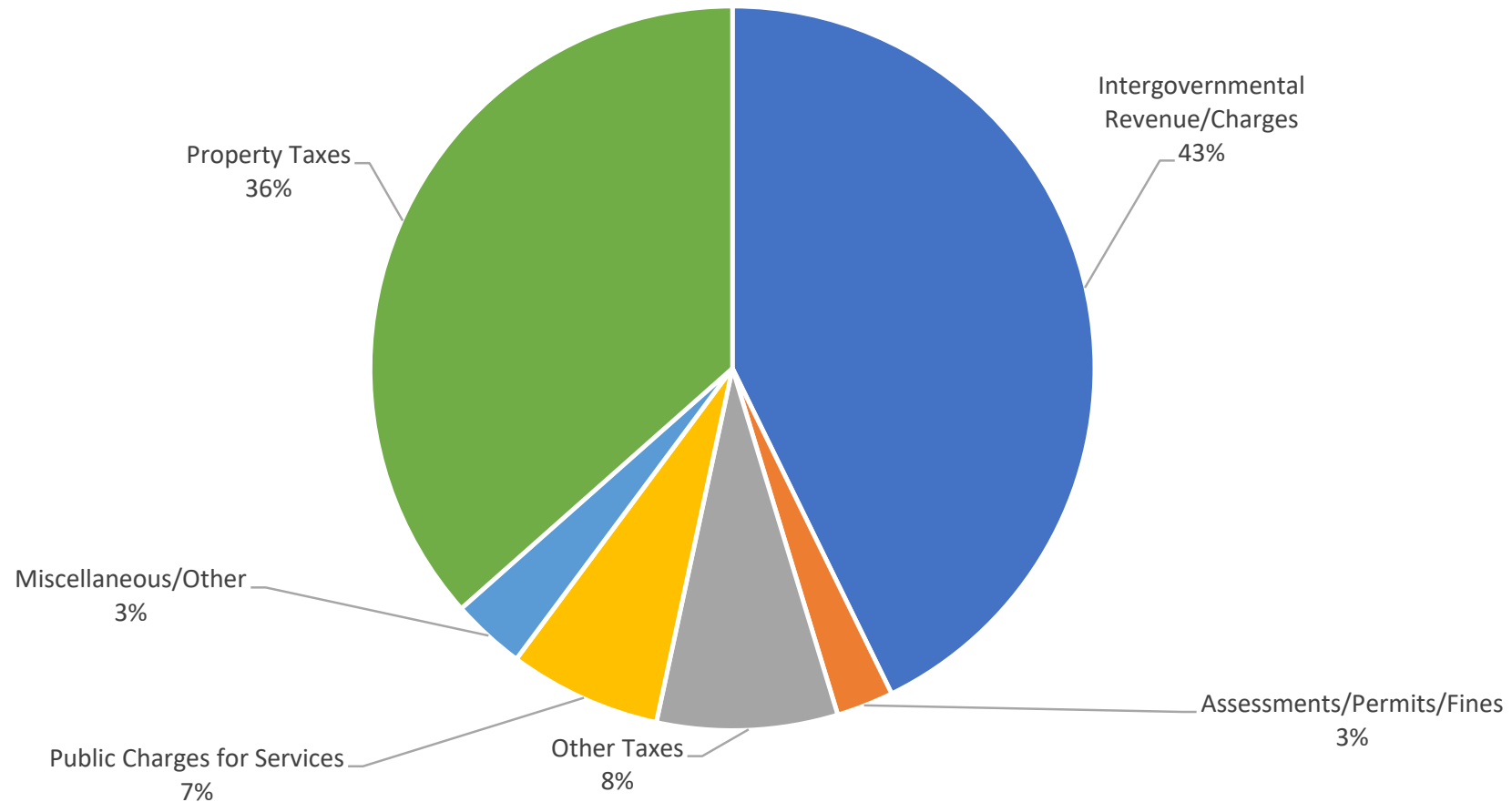
# 2023/2022 BUDGET COMPARISON

## 2022 General Fund Revenues



# 2023/2022 BUDGET COMPARISON

2023 General Fund Revenues



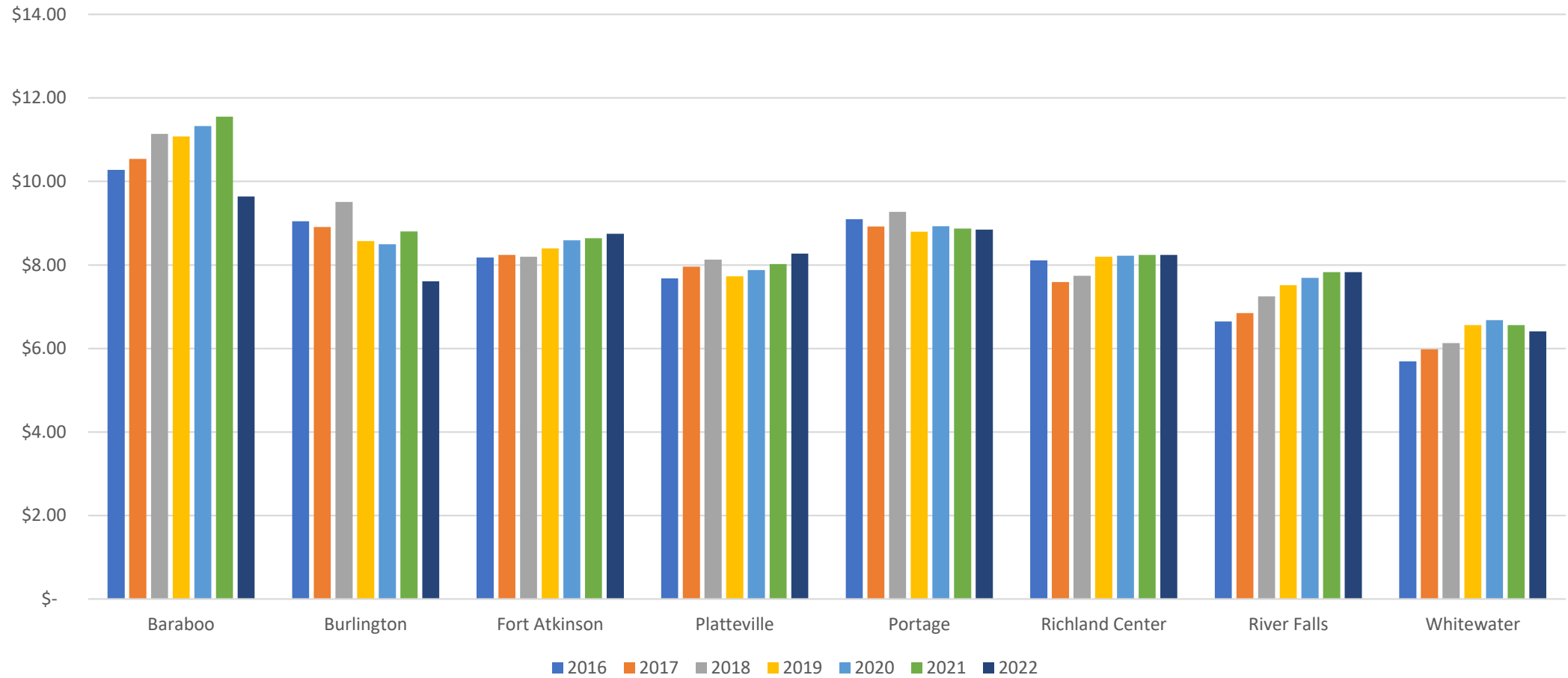
# 2022 CITY TAX IMPACT REVIEW

## Assessed Tax Rate Comparison 2016-2022

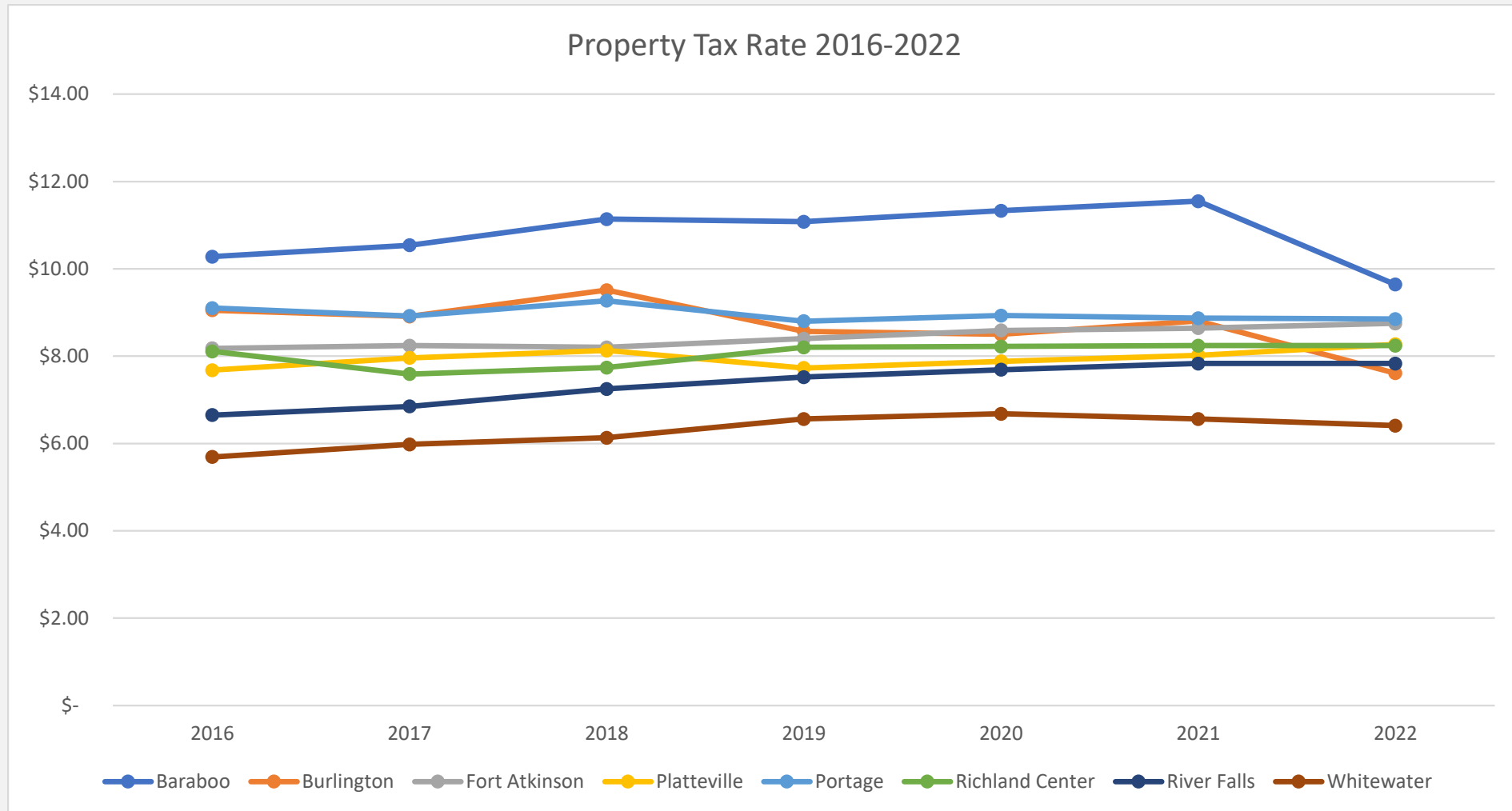
City	2016	2017	2018	2019	2020	2021	2022
Baraboo	\$ 10.28	\$ 10.54	\$ 11.14	\$ 11.08	\$ 11.33	\$ 11.55	\$ 9.64
Burlington	\$ 9.05	\$ 8.91	\$ 9.51	\$ 8.57	\$ 8.50	\$ 8.81	\$ 7.61
Fort Atkinson	\$ 8.18	\$ 8.24	\$ 8.20	\$ 8.40	\$ 8.59	\$ 8.64	\$ 8.75
<b>Platteville</b>	<b>\$ 7.68</b>	<b>\$ 7.96</b>	<b>\$ 8.13</b>	<b>\$ 7.73</b>	<b>\$ 7.88</b>	<b>\$ 8.02</b>	<b>\$ 8.27</b>
Portage	\$ 9.10	\$ 8.92	\$ 9.27	\$ 8.80	\$ 8.93	\$ 8.87	\$ 8.85
Richland Center	\$ 8.11	\$ 7.59	\$ 7.74	\$ 8.20	\$ 8.22	\$ 8.24	\$ 8.24
River Falls	\$ 6.65	\$ 6.85	\$ 7.25	\$ 7.52	\$ 7.69	\$ 7.83	\$ 7.83
Whitewater	\$ 5.69	\$ 5.98	\$ 6.13	\$ 6.56	\$ 6.68	\$ 6.56	\$ 6.41

# 2022 CITY TAX IMPACT REVIEW

Municipal Assessed Tax Rate



# 2022 CITY TAX IMPACT REVIEW



# 2023 CITY TAX PROPOSED IMPACT

## Levy Summary

<b>Fund</b>	<b>2023 Levy</b>	<b>2022 Levy</b>	<b>Change</b>	<b>% Change</b>
General Fund	\$ 3,409,078.00	\$ 3,022,201.00	\$ 386,877.00	12.8%
Taxi/Bus Fund	\$ -	\$ 45,000.00	\$ (45,000.00)	-100.0%
Debt Service Fund	\$ 1,650,566.00	\$ 1,599,054.00	\$ 51,512.00	3.1%
Capital Improvement Fund	\$ 100,000.00	\$ 196,635.00	\$ (96,635.00)	-49.1%
<b>TOTAL</b>	<b>\$ 5,159,644.00</b>	<b>\$ 4,862,890.00</b>	<b>\$ 296,754.00</b>	<b>6.0%</b>

# 2023 CITY TAX PROPOSED IMPACT

## Tax Impact

2022

- Mil rate is 8.27

2023

- Mil rate is 7.24

Reduction in Mill Rate of \$1.03 per \$1,000 of assessed value.

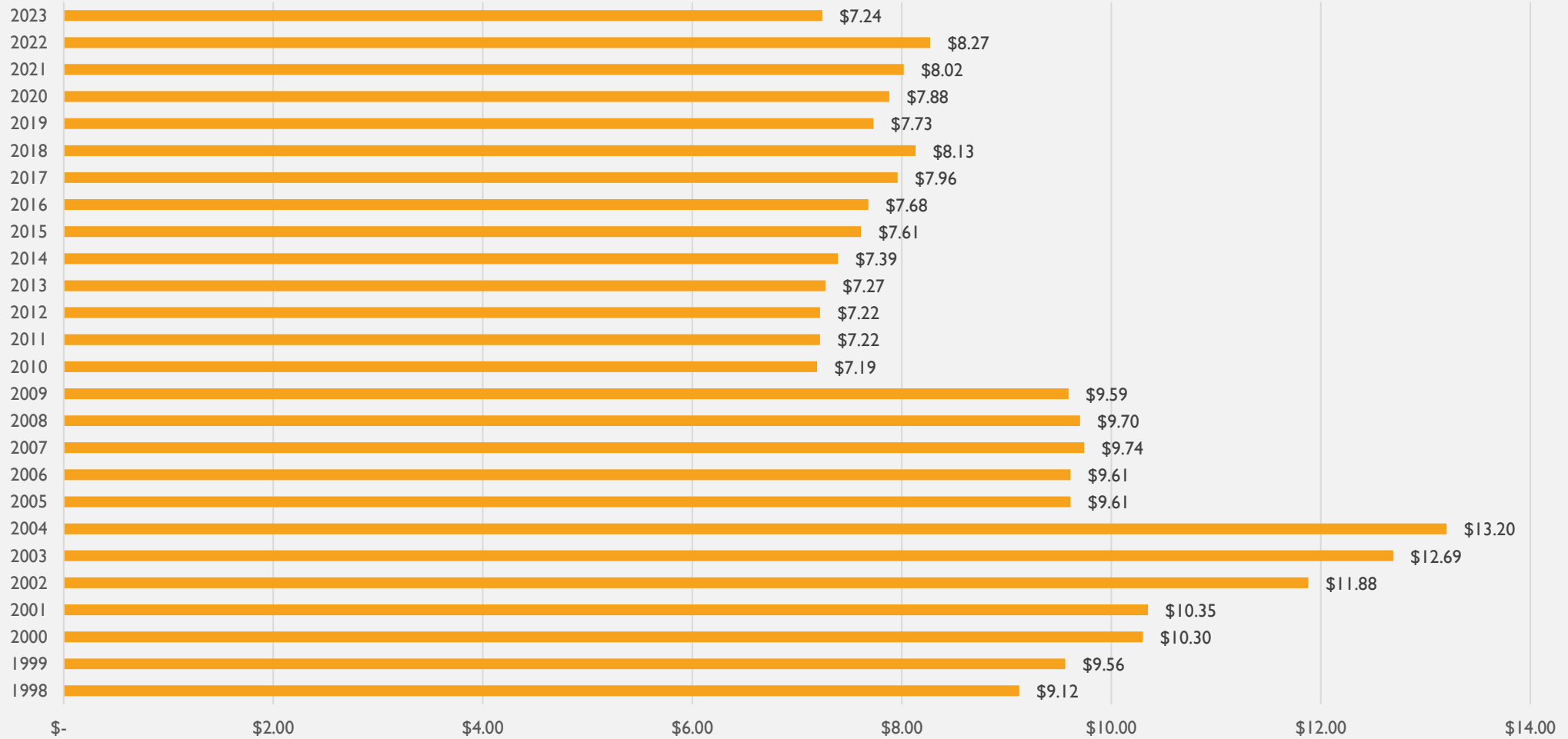
Due to the 2023 City of Platteville Property Revaluation although the mill rate is dropping homeowners may see the following scenarios:

- No change at all if property value stayed the same.
- Potential estimated 20% increase in property value which in turn will cause increase in your property tax payment.
- Potential for property valuation to be lower or higher than 20%.



# CITY OF PLATTEVILLE TAX RATE HISTORY

City of Platteville Assessed Tax Rate



# CITY OF PLATTEVILLE TAX RATE HISTORY

Tax Year	Assessed Tax Rate	\$150,000	\$200,000	\$250,000	\$300,000	\$350,000	\$400,000
2022	\$ 8.27	\$1,240.65	\$1,654.20	\$2,067.75	\$2,481.30	\$2,894.85	\$3,308.40
2023	\$ 7.24	\$ 1,085.25	\$1,447.00	\$ 1,808.75	\$2,170.50	\$2,532.25	\$2,894.00
<b>Variance</b>		<b>\$ (155.40)</b>	<b>\$ (207.20)</b>	<b>\$ (259.00)</b>	<b>\$ (310.80)</b>	<b>\$ (362.60)</b>	<b>\$ (414.40)</b>
Tax Year	20% Revaluation	\$180,000	\$240,000	\$300,000	\$360,000	\$420,000	\$480,000
2022	\$ 8.27	\$1,240.65	\$1,654.20	\$2,067.75	\$2,481.30	\$2,894.85	\$3,308.40
2023	\$ 7.24	\$ 1,302.30	\$1,736.40	\$ 2,170.50	\$2,604.60	\$3,038.70	\$3,472.80
<b>Variance</b>		<b>\$ 61.65</b>	<b>\$ 82.20</b>	<b>\$ 102.75</b>	<b>\$ 123.30</b>	<b>\$ 143.85</b>	<b>\$ 164.40</b>
<b>Monthly Increase</b>		<b>\$ 5.14</b>	<b>\$ 6.85</b>	<b>\$ 8.56</b>	<b>\$ 10.28</b>	<b>\$ 11.99</b>	<b>\$ 13.70</b>

QUESTIONS???