CITY OF STOUGHTON
COMMITTEE OF THE WHOLE
2023 BUDGET WORKSHOPS

v1 10-19-2022

Changes since last Committee of the Whole

- Salaries and related Social Security taxes for City Council corrected to show no increase.
- Health insurance for all departments reduced from 9.9% to 8.9%. (*Note: The "levy departmental highlights" slides were not updated to reflect these changes.*
- When comparing expenditures between years, it was realized that the 2023 proposed budget did not include anything for holiday promotions (i.e. fireworks)
  - *2022 budget was $5,000 in expenditures with $5,000 tax levy*
  - *2022 actual included $22,608 in expenditures offset by $5,000 in donations*
  - *2023 proposed budget at $30,000 in expenditures, $5,000 donations, and $25,000 tax levy*
- $350,000 in expenditures added in General Revenues for employee market adjustments with the offset of fund balance applied <u>for Expenditure Restraint Program purposes ONLY.</u> *No actual expenditures will occur until the employee market adjustments are implemented with a sustainable revenue source.*
- Unassigned General Fund balance applied to tax levy is now $16,062
- Resolution language updated to adhere to Wis. Stat 65.90 to include budgeted expenditures.

Slides updated or added

- #11 – Property tax comparison by department – *Added Community Commitment for holiday promotions (i.e. fireworks)*
- #12 – Property tax comparison by category - *Added Community Commitment*
- #13 – Property tax comparison by category – *Change in Community Commitment affected General Revenues*
- #14 - #17 Expenditure recaps slides were added
- #18 – Expenditures and funding sources was added
- #19 – Fund balance / net position applied – *All funds now included*
- *#20* – Fund balance policy – *General Fund projected surplus for 2022 updated to $356,924*
- *#26 – CIP 2023-2027 – Slide added*
- *#27 – Storm Sewer and Refuse user fee – Slide added*
- *#28* – City Council increase updated for no salary increase (*but still includes a FICA tax correction amount.)*

Key factors and information

- Wage increase for employees, both union and non-union) is currently at 4.0%.
- Health insurance premiums increased by 8.9% ~~9.9%~~ *with no change to the cost to employees*
- CPI-U as determined by the Wisconsin Department of Revenue for one-year collective bargaining agreements is 7.17%
- Net new construction for budget year 2023 is 2.43%, which was a record year under the current levy limit statutes. This allowed for an increase of $186,589 in operational tax levy.
- Given that the City's equalized value increased by 16.57% for 2023, the mill rate property taxes will decrease.
- Consistent with the 2022 adopted budget, <u>there is nothing budgeted in the contingency account.</u>
- The amount of General Obligation debt as a percentage of equalized value is 2.34% for budget year 2023 and is projected to increase to 2.45% for the following year.

Personnel changes by the Mayor – Budget year 2023

- Increased hours that affect multiple departments
  - Human Resources – Admin Assistant increased from 20 to 30 hours per week
  - Recreation Programs – Administrative position increased from 15.03 hours to 25 hours per week
- Retention incentive – Increase in wage rates <u>in addition to the 4.0% wage increase</u> to bring positions closer to market. This affected 14 ~~13~~ positions for an increase in the tax levy of $45,296 ~~38,797~~ for wages and benefits.

Human Resources (1)	Public Library (1)
Recreation Programs (2)	Planning (1)
Public Works ~~(2)~~ (4)	Senior Center ~~(6)~~ (5)

- Plan for budget year 2024
  - Increased staffing in Public Works
  - Continue retention incentive to get certain positions closer to market

Material reductions to requested budgets by the Mayor

- Information Technology / Media Services
  - *Reduction of expenditures by $30,000. John Montgomery provided the various accounts and amounts totaling $30,000.*
- Opera House
  - *Increased membership revenue from requested $100,000 to $130,000. Year to date revenue through September 2022 is $133,438.*
  - *Decreased Advertising (50343) from $17,000 to $15,000.*
  - *No change was made to Ads & Publications (50315) at the requested $85,000.*
- Redevelopment Authority
  - *Removed $7,500 in Professional Services related to River Bluff funding*
- Economic Development (General Fund)
  - *Removed $43,200 in Professional Services related to grant funding strategies*

Net New Construction data

Report Year	Budget Year	City of Stoughton			County of Dane			State of Wisconsin		
		Allowed Increase	Averages Three Yr	Averages Five Yr	Allowed Increase	Averages Three Yr	Averages Five Yr	Allowed Increase	Averages Three Yr	Averages Five Yr
2012	2013	0.35%	n/a	n/a	0.95%	n/a	n/a	0.74%	n/a	n/a
2013	2014	0.45%	n/a	n/a	1.50%	n/a	n/a	0.90%	n/a	n/a
2014	2015	0.82%	0.54%	n/a	2.19%	1.55%	n/a	1.12%	0.92%	n/a
2015	2016	1.11%	0.79%	n/a	2.21%	1.97%	n/a	1.21%	1.08%	n/a
2016	2017	1.94%	1.29%	0.93%	2.48%	2.29%	1.87%	1.43%	1.25%	1.08%
2017	2018	1.75%	1.60%	1.21%	2.86%	2.52%	2.25%	1.60%	1.41%	1.25%
2018	2019	1.59%	1.76%	1.44%	2.60%	2.65%	2.47%	1.62%	1.55%	1.40%
2019	2020	1.48%	1.61%	1.57%	2.44%	2.63%	2.52%	1.60%	1.61%	1.49%
2020	2021	1.84%	1.64%	1.72%	2.12%	2.39%	2.50%	1.60%	1.61%	1.57%
2021	2022	1.32%	1.55%	1.60%	2.08%	2.21%	2.42%	1.60%	1.60%	1.60%
2022	2023	2.43%	1.86%	1.73%	2.52%	2.24%	2.35%	1.71%	1.64%	1.63%

CODE	MUNICIPALITY	EQUALIZED VALUE	CONSTRUCTION	PERCENT
13221	CITY O EDGERTON *	27,869,900	2,800	0.01%
13225	CITY O FITCHBURG	4,100,343,800	170,592,400	4.16%
13251	CITY O MADISON	32,940,368,400	780,438,600	2.37%
13255	CITY O MIDDLETON	4,263,315,100	98,155,800	2.30%
13258	CITY O MONONA	1,538,704,800	29,785,400	1.94%
13281	CITY O STOUGHTON	1,341,278,100	32,581,600	2.43%
13282	CITY O SUN PRAIRIE	4,176,130,900	138,582,500	3.32%
13286	CITY O VERONA	3,199,968,100	80,358,500	2.51%
13999	COUNTY OF DANE	76,889,801,300	1,941,294,600	2.52%

Equalized value data

Report Year	Budget Year	City of Stoughton				County of Dane			
		EQ Value (Exclude TIDs)	Annual Increase	Averages Three Yr	Averages Five Yr	EQ Value (Exclude TIDs)	Annual Increase	Averages Three Yr	Averages Five Yr
2014	2015	$ 886,512,800	n/a	n/a	n/a	$ 49,509,314,700	n/a	n/a	n/a
2015	2016	$ 923,322,500	4.15%	n/a	n/a	$ 51,272,739,050	3.56%	n/a	n/a
2016	2017	$ 962,317,400	4.22%	n/a	n/a	$ 54,247,628,050	5.80%	n/a	n/a
2017	2018	$ 1,019,871,200	5.98%	4.79%	n/a	$ 57,726,523,450	6.41%	5.26%	n/a
2018	2019	$ 1,110,930,600	8.93%	6.38%	n/a	$ 62,121,666,600	7.61%	6.61%	n/a
2019	2020	$ 1,176,283,200	5.88%	6.93%	5.83%	$ 66,499,944,400	7.05%	7.02%	6.09%
2020	2021	$ 1,199,002,400	1.93%	5.58%	5.39%	$ 70,070,629,900	5.37%	6.68%	6.45%
2021	2022	$ 1,286,313,900	7.28%	5.03%	6.00%	$ 72,334,792,600	3.23%	5.22%	5.94%
2022	2023	$ 1,499,453,200	16.57%	8.59%	8.12%	$ 83,847,065,700	15.92%	8.17%	7.84%

Mill Rate Comparison

The mill rate is decreasing by 9.02%, which equates to a decrease of $69.53 annually for each $100,000 of assessed value. *The City of Stoughton has historically had assessed values approximately the same as equalized value.*

	Proposed 2023	Adopted 2022	Increase (Decrease)	Increase (Decrease)
Operating levy				
Equalized value - TID out	$ 1,499,453,200	$ 1,286,313,900	$ 213,139,300	16.57%
Operational levy	$ 6,532,620	$ 6,346,031	$ 186,589	2.94%
Mill rate	$ 4.3567	$ 4.9335	$ (0.5768)	-11.69%
Effect on $100,000 property	$ 435.67	$ 493.35	$ (57.68)	-11.69%
Debt levy				
Equalized value - TID out	$ 1,499,453,200	$ 1,286,313,900	$ 213,139,300	16.57%
Debt levy	$ 3,978,674	$ 3,565,553	$ 413,121	11.59%
Mill rate	$ 2.6534	$ 2.7719	$ (0.1185)	-4.27%
Effect on $100,000 property	$ 265.34	$ 277.19	$ (11.85)	-4.27%
Total levy				
Equalized value - TID out	$ 1,499,453,200	$ 1,286,313,900	$ 213,139,300	16.57%
Total levy	$ 10,511,294	$ 9,911,584	$ 599,710	6.05%
Mill rate	$ 7.0101	$ 7.7054	$ (0.6953)	-9.02%
Effect on $100,000 property	$ 701.01	$ 770.54	$ (69.53)	-9.02%

Mill Rate Comparison – TIF Districts

The mill rate is decreasing by 12.12, which equates to a decrease of $250.10 annually for each $100,000 of assessed value. *The City of Stoughton has historically had assessed values approximately the same as equalized value.*

	Proposed 2023	Adopted 2022	Increase (Decrease)	Increase (Decrease)
TID # 4 - Downtown				
TID incremental value	$ 9,738,700	$ 7,905,100	$ 1,833,600	23.20%
TID tax levy	$ 176,671	$ 163,178	$ 13,493	8.27%
TID #5 - Development				
TID incremental value	$ 3,309,100	$ 3,214,400	$ 94,700	2.95%
TID tax levy	$ 60,031	$ 66,352	$ (6,321)	-9.53%
TID #6 - Business Park Expansion				
TID incremental value	$ 4,186,300	$ 3,191,400	$ 994,900	31.17%
TID tax levy	$ 75,944	$ 65,877	$ 10,067	15.28%
TID #7 - Kettle Park West				
TID incremental value	$ 49,886,300	$ 40,319,500	$ 9,566,800	23.73%
TID tax levy	$ 904,995	$ 832,281	$ 72,714	8.74%
TID #8 - Riverfront Development				
TID incremental value	$ 1,220,100	$ 333,800	$ 886,300	265.52%
TID tax levy	$ 22,135	$ 6,890	$ 15,245	221.26%
Tax Incremental Financing Districts				
TID incremental value	$ 68,340,500	$ 54,964,200	$ 13,376,300	24.34%
TID tax levy	$ 1,239,776	$ 1,134,578	$ 105,198	9.27%
Mill rate	$ 18.1412	$ 20.6421	$ (2.5010)	-12.12%
Effect on $100,000 property	$ 1,814.12	$ 2,064.21	$ (250.10)	-12.12%

Property tax comparison – by department

Department	Mayor Proposed 2023	Mayor Proposed 2023	Amended Budget 2022	Increase (Decrease)	Increase (Decrease)
Police Department	41.6%	$ 3,555,918	$ 3,274,454	$ 281,464	8.6%
Public Library	8.5%	726,880	646,350	80,530	12.5%
Human Resources/ Risk Mgmt	6.2%	528,814	455,219	73,595	16.2%
Finance	6.0%	516,692	487,516	29,176	6.0%
Planning and Development	5.9%	501,587	510,860	(9,273)	-1.8%
Public Works	5.8%	491,771	521,772	(30,001)	-5.7%
Info Tech / Media Services	5.2%	447,120	332,300	114,820	34.6%
Senior Center	4.8%	411,256	404,460	6,796	1.7%
Fire Department	4.3%	365,178	341,561	23,617	6.9%
Opera House	2.7%	234,876	195,000	39,876	20.4%
City Attorney	2.2%	185,000	157,000	28,000	17.8%
City Clerk	2.1%	180,536	211,881	(31,345)	-14.8%
Recreation Programs	2.1%	179,372	162,975	16,397	10.1%
Mayor	1.3%	114,354	105,901	8,453	8.0%
City Council	0.6%	49,005	46,483	2,522	5.4%
Community Commitment	0.3%	25,000	0	25,000	100.0%
Redevelopment Authority	0.2%	20,500	11,000	9,500	86.4%
Shared Ride Services	0.1%	7,886	16,951	(9,065)	-53.5%
Economic Development	0.1%	7,500	0	7,500	100.0%
Subtotal	100.0%	8,549,245	7,881,683	667,562	8.5%
Special Assessments		(19,000)	0	(19,000)	100.0%
Municipal Court		(32,112)	(17,538)	(14,574)	83.1%
General Revenues		(1,965,513)	(1,518,114)	(447,399)	29.5%
Operational Tax Levy	62.1%	6,532,620	6,346,031	186,589	2.9%
Debt Levy	37.9%	3,978,674	3,565,553	413,121	11.6%
Total Property Tax Levy	**100.0%**	**$ 10,511,294**	**$ 9,911,584**	**$ 599,710**	**6.1%**

Property tax comparison – by category (slide 1 of 2)

Department	Mayor Proposed 2023	Mayor Proposed 2023	Amended Budget 2022	Increase (Decrease)	Increase Decrease)
Public Safety					
Fire Department		365,178	341,561	23,617	6.9%
Planning (Inspection)		117,797	98,496	19,301	19.6%
Police Department		3,555,918	3,274,454	281,464	8.6%
Subtotal	47.5%	4,038,893	3,714,511	324,382	8.7%
Culture, Recreation, Education					
Info Tech / Media Services		447,120	332,300	114,820	34.6%
Public Library		726,880	646,350	80,530	12.5%
Opera House		234,876	195,000	39,876	20.4%
Public Works (Parks)		377,461	335,536	41,925	12.5%
Recreation Programs		179,372	162,975	16,397	10.1%
Community Commitment		25,000	0	25,000	100.0%
Subtotal	23.4%	1,990,709	1,672,161	318,548	19.1%
General Government					
City Attorney		185,000	157,000	28,000	17.8%
City Clerk		180,536	211,881	(31,345)	-14.8%
City Council		49,005	46,483	2,522	5.4%
Finance		516,692	487,516	29,176	6.0%
Human Resources/ Risk Mgmt		528,814	455,219	73,595	16.2%
Mayor		114,354	105,901	8,453	8.0%
Municipal Court		(32,112)	(17,538)	(14,574)	83.1%
Planning (Buildings)		268,467	262,469	5,998	2.3%
Subtotal	21.3%	1,810,756	1,708,931	101,825	6.0%
Health and Human Services					
Public Works (Cemetery)		26,000	22,500	3,500	15.6%
Senior Center		411,256	404,460	6,796	1.7%
Subtotal	5.1%	437,256	426,960	10,296	2.4%

Property tax comparison – by category (slide 2 of 2)

Department	Mayor Proposed 2023	Mayor Proposed 2023	Amended Budget 2022	Increase (Decrease)	Increase (Decrease)
Conservation and Development					
Economic Development		7,500	0	7,500	100.0%
Planning and Development		115,323	149,895	(34,572)	-23.1%
Redevelopment Authority		20,500	11,000	9,500	86.4%
Subtotal	1.7%	143,323	160,895	(17,572)	-10.9%
Public Works					
Public Works (Streets)		88,310	163,736	(75,426)	-46.1%
Shared Ride Services		7,886	16,951	(9,065)	-53.5%
Special Assessments		(19,000)	0	(19,000)	
Subtotal	0.9%	77,196	180,687	(103,491)	-57.3%
Program Activities	100.0%	8,498,133	7,864,145	633,988	8.1%
Less General Revenues		(1,965,513)	(1,518,114)	(447,399)	29.5%
Operational Tax Levy	62.1%	6,532,620	6,346,031	186,589	2.9%
Debt Levy	37.9%	3,978,674	3,565,553	413,121	11.6%
Total Property Tax Levy	**100.0%**	**10,511,294**	**9,911,584**	**599,710**	**6.1%**

Total expenditures by category (excluding Stoughton Utilities)

			Proposed 2023	Amended 2022	Increase (Decrease)	Increase (Decrease)
Culture, Recreation, Education						
410	Capital Outlay - Rec Programs		$ 5,000,220	$ -	$ 5,000,220	Comment
245	Opera House		1,002,859	1,191,829	(188,970)	-15.9%
215	Public Library		999,269	1,004,390	(5,121)	-0.5%
100	Info Tech / Media Services		569,151	512,960	56,191	11.0%
100	Recreation Programs		520,930	497,654	23,276	4.7%
223	Park Development Fund		454,000	81,500	372,500	457.1%
100	Public Works - Parks		377,461	335,536	41,925	12.5%
410	Capital Outlay - IT Media Services		117,000		117,000	Comment
217	Library Special Gift Fund		50,000	76,220	(26,220)	-34.4%
410	Capital Outlay - Library		50,000		50,000	Comment
100	Community Commitment		30,000	5,000	25,000	500.0%
100	Arts Council		2,500	1,500	1,000	100.0%
236	Tree Commission		2,000	1,500	500	33.3%
239	Stoughton Arts Council		-	6,442	(6,442)	-100.0%
246	Opera House Repair Fund		-	6,778	(6,778)	-100.0%
413	Technology Fund		0	31,936	(31,936)	-100.0%
	Culture Recreation Subtotal	**26.7%**	**9,175,390**	**3,753,245**	**5,422,145**	**144.5%**
Public Works						
400	Construction Fund		3,834,115	3,721,986	112,129	3.0%
100	Public Works - Streets		1,525,807	1,438,086	87,721	6.1%
249	Refuse Fund		972,998	872,341	100,657	11.5%
410	Capital Outlay - Streets		392,500		392,500	Comment
290	Shared Ride Services		360,648	333,008	27,640	8.3%
270	Special Assessments		344,985	157,100	187,885	119.6%
	Public Works subtotal	**21.6%**	**7,431,053**	**6,522,521**	**908,532**	**13.9%**

Prior general ledger intermingled activities together for capital outlay between years difficult.

Total expenditures by category (excluding Stoughton Utilities) con't

			Proposed 2023	Amended 2022	Increase (Decrease)	Increase (Decrease)
Public Safety						
100	Police Department		$3,630,918	$3,495,555	$ 135,363	3.9%
100	Fire Department		571,026	540,961	30,065	5.6%
410	Capital Outlay - Police Dept		494,035		494,035	Comment
410	Capital Outlay - Fire Dept		452,630		452,630	Comment
100	Planning & Development		191,297	142,456	48,841	34.3%
243	Fire Pension Fund		48,700	42,000	6,700	16.0%
410	Capital Outlay - Planning		20,000	-	20,000	Comment
252	K-9 Fund		9,337	7,160	2,177	30.4%
242	Fire Dept Special Fund		-	21,400	(21,400)	-100.0%
221	Fire Equipment Fund		-	16,612	(16,612)	-100.0%
	Public Safety subtotal	**15.8%**	**5,417,943**	**4,266,144**	**1,151,799**	**27.0%**
General Government						
100	Human Resources/ Risk Mgmt		$ 538,814	$ 469,219	$ 69,595	14.8%
100	Finance		516,962	487,516	29,446	6.0%
100	Planning - Buildings		268,467	262,469	5,998	2.3%
100	City Clerk		237,136	253,644	(16,508)	-6.5%
100	City Attorney		185,000	157,000	28,000	17.8%
100	Mayor		114,354	105,901	8,453	8.0%
100	General Revenues		436,500	506,224	(69,724)	100.0%
410	Capital Outlay - Planning		267,000	133,038	133,962	200.0%
100	Municipal Court		57,888	62,462	(4,574)	-7.3%
100	City Council		54,605	56,483	(1,878)	-3.3%
410	Capital Outlay - City Council		53,500	-	53,500	Comment
100	Transfer to Capital Outlay		-	200,000	(200,000)	-100.0%
250	Sick Leave Fund		-	144,754	(144,754)	-100.0%
	General Government subtotal	**8.0%**	**2,730,226**	**2,838,710**	**(108,484)**	**-3.8%**

Prior general ledger intermingled activities together for capital outlay between years difficult.

Total expenditures by category (excluding Stoughton Utilities) con't

			Proposed 2023	Amended 2022	Increase (Decrease)	Increase (Decrease)
Conservation Development						
206	TID #6 - Bus Park Expansion		433,654	424,613	$ 9,041	2.1%
100	Planning & Development		329,363	316,895	12,468	3.9%
205	TID #5 - Redevelopment		192,644	158,850	33,794	21.3%
247	Tourism Fund		120,000	115,797	4,203	3.6%
207	TID #7 - Kettle Park West		114,534	746,334	(631,800)	-84.7%
208	TID #8 - Riverfront Development		106,307	1,133,184	(1,026,877)	-90.6%
261	Redevelopment Authority		51,500	201,018	(149,518)	-74.4%
235	Landmarks Commission		18,000	10,000	8,000	80.0%
100	Economic Development		7,500	49,250	(41,750)	-84.8%
204	TID #4 - Downtown		5,000	178,352	(173,352)	-97.2%
248	Revolving Loan Fund		0	272,657	(272,657)	-100.0%
	Conserve Development subtotal	**4.0%**	**1,378,502**	**3,606,950**	**(2,228,448)**	**-61.8%**
Health and Human Services						
100	Senior Center		$ 640,995	$ 608,460	$ 32,535	5.3%
232	Senior Center Special Fund		217,000	6,000	211,000	3516.7%
234	Food Pantry		75,650	75,000	650	0.9%
100	Public Works - Cemetery		36,000	36,000	-	0.0%
231	Seniors in Need		17,000	20,000	(3,000)	-15.0%
230	Town Senior Programming		10,865	8,753	2,112	24.1%
225	Cemetery Endowment		2,705	2,700	5	0.2%
229	Senior Center Wood Shop		800	1,000	(200)	-20.0%
253	Affordable Housing		-	250,000	(250,000)	-100.0%
	Health Human Services subtotal	**2.9%**	**1,001,015**	**1,007,913**	**(6,898)**	**-0.7%**
Multiple activities						
410	Capital Outlay Fund			1,129,579	(1,129,579)	**Comment**
412	Equipment Replacement Fund		0	254,150	(254,150)	**Comment**
254	ARPA Fund		0	110,000	$ (110,000)	-100.0%
	Multiple activities subtotal	**0.0%**	**0**	**1,493,729**	**(1,493,729)**	**-100.0%**

Prior general ledger intermingled activities together for capital outlay between years difficult.

Total expenditures by category (excluding Stoughton Utilities) con't

		Proposed 2023	Amended 2022	Increase (Decrease)	Increase (Decrease)
Operating levy totals		27,134,129	23,489,212	3,644,917	15.5%
300 Debt Service	15.5%	5,313,136	5,201,535	111,601	2.1%
Proprietary Funds					
224 Storm Sewer	2.9%	1,009,442	952,269	57,173	6.0%
603 Emergency Medical Services	2.6%	883,318	866,992	16,326	1.9%
699 WRS Unfunded Pension Liability		-	(157,976)	157,976	-100.0%
Proprietary Funds totals		1,892,760	1,661,285	231,475	13.9%
City totals (excluding Utilities)	**100.0%**	**$ 34,340,025**	**$ 30,352,032**	**$ 3,987,993**	**13.1%**

Total expenditures and funding sources

Category	Proposed 2023	Amended 2022	Increase (Decrease)	Increase (Decrease)
Expenditures				
Wages	7,508,783	6,749,299	759,484	11.3%
Benefits	2,709,193	2,646,695	62,498	2.4%
Operating Expenditures	11,279,474	11,470,228	(190,754)	-1.7%
Capital Outlay	11,219,184	6,276,076	4,943,108	78.8%
Transfers Out	1,623,391	3,186,545	(1,563,154)	-49.1%
Total Expenditures	**34,340,025**	**30,328,843**	**4,011,182**	**13.2%**
Revenues				
Property Tax - Operations	6,532,620	6,346,031	186,589	2.9%
Property Tax - Debt	3,978,674	3,565,553	413,121	11.6%
Other Taxes	3,124,431	2,538,762	585,669	23.1%
Intergovernmental Revenues	4,534,572	4,030,152	504,420	12.5%
Licenses and Permits	293,600	222,400	71,200	32.0%
Fines, Forfeitures and Penalties	125,000	105,000	20,000	19.0%
Charges for Services - Public	3,692,163	3,810,897	(118,734)	-3.1%
Charges for Services - Intergovernmental	659,847	620,230	39,617	6.4%
Charges for Services - Departmental	261,043	225,087	35,956	16.0%
Miscellaneous Revenues	788,728	1,026,607	(237,879)	-23.2%
Debt Proceeds	8,617,816	4,806,245	3,811,571	79.3%
Transfers In	1,623,341	3,114,015	(1,490,674)	-47.9%
Transfer In (Stoughton Utilities)	94,950	96,750	(1,800)	-1.9%
Fund Balance / Net Position Applied	13,240	(178,886)	192,126	-107.4%
Total revenues	**34,340,025**	**30,328,843**	**4,011,182**	13.2%

Fund balance / net position applied to budget

Fund	Fund	Department	Amount	Totals	Comment
100	General Fund	City Council	5,600		Sustainability Committee - proposed carryforward
100	General Fund	City Council	2,000		Arts Council - proposed carryforward
100	General Fund	General Revenues	85,000		Retirement payouts as per R-175-2022
100	General Fund	General Revenues	350,000		Expenditure Restraint Program (holding account)
100	General Fund	General Revenues	16,062		Adere to levy limits
100	General Fund	Subtotal		458,662	
204	TID #4	Downtown		(178,753)	Projected annual (surplus) deficit
205	TID #5	Redevelopment		93,021	Projected annual (surplus) deficit
206	TID #6	Bus Park Expansion		356,210	Projected annual (surplus) deficit
207	TID #7	Kettle Park West		(797,961)	Projected annual (surplus) deficit
208	TID #8	Riverfront Development		84,172	Projected annual (surplus) deficit
217	Library Special Gift Fund			(11,000)	Projected annual (surplus) deficit
224	Storm Sewer			(98,800)	Projected annual (surplus) deficit
224	Storm Sewer			250,000	Estimated annual depreciation
225	Cemetery Endowment			2,505	Projected annual (surplus) deficit
229	Senior Center Wood Shop			(2,950)	Projected annual (surplus) deficit
230	Town Senior Programming			396	Projected annual (surplus) deficit
231	Seniors in Need			(5,400)	Projected annual (surplus) deficit
232	Senior Center Special Fund	Primarily Annex remodeling		193,900	Projected annual (surplus) deficit
234	Food Pantry			(21,350)	Projected annual (surplus) deficit
236	Tree Commission			(1,020)	Projected annual (surplus) deficit
252	K-9 Fund			1,337	Projected annual (surplus) deficit
253	Affordable Housing Fund			(400)	Projected annual (surplus) deficit
261	Redevelopment Authority	Operations		12,000	Carryforward request for professional services
261	Redevelopment Authority	Revolving Loan Fund		(34,250)	Projected annual (surplus) deficit
270	Special Assessments			10,000	General Transportation Aids related
410	Capital Outlay			(146,759)	Potential reduction in bonds issued in 2023
411	Building Maintenance Fund			53,987	Projected annual (surplus) deficit
412	Equipment Replacement Fund			(251,742)	Potential reduction in bonds issued in 2023
603	Emergency Medical Services	Operations		(36,565)	Projected annual (surplus) deficit
603	Emergency Medical Services	Depreciation		84,000	Estimated annual depreciation
	Total			**13,240**	

Fund balance policy application (General Fund only)

The City's fund balance policy states the General Fund unassigned fund balance should be between 20% and 25% of the subsequent year's operating expenditure budget.

As a point of information, the 2022 projection for the General Fund is a surplus of $356,924.

General Fund - budgeted expenditures - adopted 2022	$ 14,814,029	
Minimum balance required	25%	
Minimum balance required	$ 3,703,507	
Unassigned fund balance 12/31/2021	$ 4,887,570	32.0%
Amount over (under) goal	$ 1,184,063	

Expenditure Restraint Program

Due to changes implemented in accounting during calendar year 2022 by the Finance Department, quite a few transfers to other funds were eliminated. In addition, over $200,000 for the Shared Ride Services was moved to a special revenue fund.

Description	Mayor Proposed 2023	Council Adopted 2022	Increase (Decrease)	Increase (Decrease)
General Fund budgeted expenditures	$ 15,520,773	$ 14,814,029	$ 706,744	4.6%
Less debt service transfers	$ (4,059,830)	$ (3,565,553)	$ (494,277)	12.2%
Contracted services provided to another local government	$ (188,448)	$ (184,000)	$ (4,448)	2.4%
Contracted services provided to another local government	$ (88,719)	$ -	$ (88,719)	100.0%
Total	$ 11,183,776	$ 11,064,476	$ 119,300	1.1%
Allowed increase		$ 1,017,932		9.2%
Maximum allowed		$ 12,082,408		
Less Mayor proposed budget		$ (11,183,776)		
Amount available		$ 898,632		

We could potentially add another $0.9 million in General Fund expenditures and still remain under the limit.
The question is, though, how do we pay for those additional expenditures?

Accounting changes

The Director of Finance/Comptroller implemented a number of accounting changes during 2022 in order to accurately report information on the city's 2022 audited financial statements.

In addition, it becomes even more important for these changes with the pending Single Audits related to federal grants because of the American Rescue Plan Act (ARPA) funds.

While this has been time consuming, it is necessary as a number of issues were discovered and corrected. A brief summary of the changes made is below:

Fund eliminations

- Funds were eliminated to mirror how the funds were presented in the audited financial statements.
- In addition, funds with no activity in several years were eliminated. *These eliminated multiple transfers between funds which had a positive effect on the Expenditure Restraint Program calculations.*

Balanced budgets – Each department's budget has equal revenues and expenditures.

Accounting changes (continued)

Revenues

- Revenues specific to a department were moved to that department, which allows for a better understanding of the true cost for providing services of that department.
- Non-specific program revenues in the General Fund were moved to Department 88888 General Revenues.
- Steps were taken so that revenue for the same purpose in different funds used the same revenue account.
- Steps were taken so that revenues were correctly classified into the appropriate category. *This directly affects the city's General Transportation Aids calculations.*
- *Property tax revenue is included with each department.*

Accounting changes (continued)

<u>Expenditures</u>

- Departments in BS&A were created/modified/deleted to correctly report.
- The following benefit accounts were split into separate accounts in the budget. *(The payroll system still needs to be updated to reflect this.)*
  - *Employee benefits (former account)*
    - Social Security taxes
    - WRS pension (needs to be separate for GASB 68 calculations)
    - Life insurance (needs to be separate for GASB 75 calculations)
  - *Health insurance/dental insurance*
    - Health insurance (needs to be separate for GASB 75 calculations)
    - Dental insurance
- When applicable, the use of "catch-all" all types of accounts for Operating Expenses were eliminated so that expenditures across the city for items like utilities, postage, etc. were recorded in the same place no matter the department.

Future budget year plans

Currently, many departments create their budget in Excel and then manually enter that same data into BS&A.

The BS&A system is capable of entering footnotes and line item detail that can be displayed on the reports and can be used to review departmental requests. This should allow for time savings for departments along with having more robust calculations available by the system.

Capital Improvement Plan (CIP) 2023 – 2028 v 11

Summary by Department					
Row Labels	**Sum of 2023**	**Sum of 2024**	**Sum of 2025**	**Sum of 2026**	**Sum of 2027**
City Council	$ 53,500				
Fire Department	$ 491,430	$ 984,500		$ 80,000	$ 1,750,000
Info Tech / Media Services	$ 134,372	$ 79,000	$ 55,000	$ 55,000	$ 55,000
Library	$ 50,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
Parks & Recreation	$ 3,978,761	$ 2,857,683	$ 1,160,460	$ 1,887,500	$ 318,000
Planning		$ 32,000			
Planning & Development	$ 386,056	$ 616,797	$ 265,573	$ 92,384	$ 94,232
Planning/Public Works	$ 4,154,251	$ 3,932,447	$ 4,297,339	$ 5,293,745	$ 2,778,314
Police Department	$ 469,035	$ 145,100	$ 215,500	$ 91,000	$ 191,000
Public Works	$ 453,500	$ 453,000	$ 669,000	$ 631,000	$ 123,500
Grand Total	**$ 10,170,905**	**$ 9,110,527**	**$ 6,672,872**	**$ 8,140,629**	**$ 5,320,046**

Proposed Bond Issues 2023					
Sum of 2023	**Column Labels**				
Row Labels	**10 years**	**20 years**	**4 years**	**5 years**	**Grand Total**
Bond issue	$ 1,410,995	$ 8,049,761	$ 140,895	$ 613,056	$ 10,214,707
Bond issue - Stormwater		$ 966,470			$ 966,470
Bond issue - TID					
Bond issue offset	$ (59,000)	$ (1,472,199)			$ (1,531,199)
Bond offset - assessment		$ (344,985)			$ (344,985)
Bond offset - Stormwater					
Bond offset - TID assess					
Grand Total	**$ 1,351,995**	**$ 7,199,047**	**$ 140,895**	**$ 613,056**	**$ 9,304,993**
Budget Year 2024 projections	*(Interest rate increased 9/26/22 based upon recent trends.)*				**Total**
Estimated principal	$ 135,200	$ 359,952	$ 35,224	$ 122,611	$ 652,987
Estimated interest at 5.5%	$ 74,360	$ 395,948	$ 7,749	$ 33,718	$ 511,775
Total estimated payments	$ 209,560	$ 755,900	$ 42,973	$ 156,329	**$ 1,164,762**

Changes since version 9 approved by Ad Hoc CIP Committee on 09/29/2022

- WSTO Roku/Fire/Apple/iOS/Android removed by John Montgomery as already completed in 2022
- Bike rack initiative reclassed by Dave Ehlinger from tax levy to bond issue.
- Park amenities reclassed by Dave Ehlinger from tax levy to bond issue.
- Recreation Feasibility study reclass by Dave Ehlinger from tax levy to bond issue after consulting with Baker Tilly

Storm Sewer and Refuse user fees

GL NUMBER	DESCRIPTION	2021 ACTIVITY	2022 AMENDED BUDGET	2022 ACTIVITY THRU 09/30/22	2022 PROJECTED ACTIVITY	2023 DEPT REQ BUDGET	2023 MAYOR PROPOSED BUDGET	Increase (Decrease)	Increase (Decrease)
Fund 224 - Storm Sewer									
224-00000-46300	STORMWATER USER FEES	$744,222							
224-00000-46325	STORMWATER REVIEW FEES	$ 37,375							
224-53300-46300	STORMWATER USER FEES		$782,179	$ 523,817	$ 787,200	$676,380	$ 786,242	$ 4,063	0.5%
224-53300-46325	STORMWATER REVIEW FEES		$ 30,000	$ 75,910	$ 85,000	$ 60,000	$ 60,000	$ 30,000	100.0%
Total		$781,597	$812,179	$ 599,727	$ 872,200	$736,380	$ 846,242	$ 34,063	4.2%
	ERUs	9,460	9,639				9,700	61	0.6%
	Annual charge per ERU	$ 77.18	$ 81.15				$ 81.06	$ (0.09)	-0.1%
Fund 249 - REFUSE FUND									
249-00000-46420	GARBAGE COLLECTION FEES	$822,530							
249-53620-46420	GARBAGE COLLECTION FEES		$870,003	$ 873,601	$ 873,601	$ 3,448	$ 935,248	$ 65,245	7.5%
	Actual count as of September 2022		4,598	Projected average count for 2023			4,670	72	1.6%
	Annual charge per unit		$ 189.21				$ 200.27	$ 11.05	5.8%

Garbage, recycling, and bulk pickup fees from vendor increased by $9.49%.

Levy departmental highlights

General Fund

- City Council Increase of $2,522 ~~5,390~~ 5.4% ~~11.6%~~
  - ~~Wages and~~ benefits increased by $22 ~~2,890~~ due to FICA tax correction.
  - Computer equipment related to committee meeting rooms was allocated here.
- Municipal Court Surplus increase of $14,574 83.1%
  - Revenues were increased based upon 2022 year-to-date activity
- City Attorney Increase of $28,000 17.8%
  - Budget was increased based upon activity in 2021 and 2022.
  - Accounting was changed in TIF Districts to reflect Outside Legal Services rather than being lumped together in Admin Costs.
- Mayor Increase of $8,602 8.1%
  - Majority of the increase is for the scheduled salary increase due to CPI-U increase of 8.8%. *This increase is based upon prior year Council action regarding automatic pay increases for the Mayor.*

Levy department highlights (continued)

General Fund (continued)

- City Clerk Decrease of ($31,047) (14.7%)
  - Wages and benefits increased by $5,403
  - Increase in license revenues based upon 2020 and 2021 activity
  - Decrease in election costs as there will only be two (2) elections in 2023.
  - *Note: The department levy will increase in 2024 due to four (4) elections.*
- Finance Increase of $29,857 6.1%
  - Wages and benefits increased by $20,315
  - Actuarial fees of $7,500 were not budgeted in prior years
  - Assumed slight increase in audit fees with GASB 87-*Leases* implementation.
- Human Resources / Risk Management Increase of $74,019 16.3%
  - Wages and benefits increase $55,078 which included increasing one staff member from 20 to 30 hours per week.
  - Insurance premiums increased by $21,700.

Levy department highlights (continued)

General Fund (continued)

- Police Department Increase of $285,299 8.7%
  - Wages and benefits increased by $281,995
- Fire Department Increase of $23,908 7.0%
  - Wages and benefits increased by $12,351
  - Items transferred from the CIP to operations were $6,500
  - Revenues, including charges to towns, increased by $6,448
- Public Works Decrease of ~~($34,105)~~ ($28,032) ~~(6.5%)~~ (5.4%)
  - *The tax levy for Public Works appears small because General Transportation Aids and Connecting Highway Aids are credited directly to this department.*
  - Wages and benefits increased by $~~47,266~~ $58,339
  - General Transportation Aids increased by $150,307 but Connecting Highway Aids decreased by $7,310

Levy department highlights (continued)

General Fund (continued)

- Planning and Development Decrease of ($8,471) (1.7%)
  - Wages and benefits increased by $38,709 including one employee adjustment as a partial step towards market rates.
  - Permit fees were increased by $55,000 based upon 2021 and year-to-date 2022 activity. The large increase was discussed with the department head.
- Senior Center Increase of ~~$8,391~~ $7,747 ~~2.1%~~ 1.9%
  - Revenues were increased by $25,739 based upon 2021 and year-to-date 2022 activity. The Dane County revenue assumed the same increase rate as occurred in the 2022 versus 2021 contract.
  - Wages and benefits increased by $33,630
- Recreation Programs Increase of $16,622 10.2%
  - Wages and benefits increased by $29,268
  - Revenues increased by $7,108

Levy department highlights (continued)

General Fund (continued)

- IT/Media Services Increase of $115,267 34.7%
  - Wages and benefits increased by $11,996
  - Telephone increased by $30,600
  - Cable franchise fees revenue decreased by $20,841
  - Number of Microsoft user/service licenses were increased to be in compliance.
- Economic Development Increase of $7,500 100%
  - Nothing was budgeted in the prior year
  - $7,500 is included for professional services related to business retention.
- General Revenues Surplus increased by ~~$431,337~~ $436,766 ~~28.4%~~ 28.8%
  - Payment in Lieu of Taxes from Stoughton Utilities decreased by $34,389
  - $50,000 from Stoughton Utilities rent was allocated to General Revenues as opposed to the Building Maintenance Fund.
  - Interest income increased by $63,830 based upon current market trends
  - Transfers to other funds decreased by $254,816 based upon accounting changes.
  - General Fund Unassigned Fund Balance applied to the tax levy = $5,429

Levy department highlights (continued)

- Public Library — Increase of $81,588 — 12.6%
  - Wages and benefits increased by $44,257
  - The 2021 adopted levy used $26,739 in fund balance.
- Opera House — Increase of $40,245 — 20.6%
  - Wages and benefits increased by $13,554
  - Operating expenditures decreased by ($202,155)
  - Public Charges for Services decreased by ($214,260)
- Redevelopment Authority — Increase of $9,500 — 86.4%
  - Stoughton Utility expenditures increased by $5,000.
  - Additional $4,500 for professional services
- Special Assessments — Surplus increased by $19,000
  - $9,000 of interest income allocated to the tax levy
  - $10,000 of fund balance allocated to the tax levy
- Shared Ride Services — Decrease of ($9,065) — (53.5%)
  - Taxi grant revenue has been budgeted conservatively in the past.

Levy limit – Wis. Stat. 66.0602

Section A:				
	2021 payable 2022 actual levy		$9,911,584	
	2022 personal property aid		$ 36,760	
1	2021 payable 2022 actual levy plus 2021 personal property aid			$ 9,948,344
3	Exclude 2021 levy for new general obligation debt authorized after July 1, 2005			$ 2,266,612
4	2021 payable 2022 adjusted actual county levy			$ 7,681,732
5	Terminated TID applied to 2021 adjusted actual levy	0.000%	$ -	$ 7,681,732
6	Net new construction applied to 2022 adjusted actual levy	2.429%	$ 186,589	$ 7,868,321
7	Greater of Line 5 or Line 6			$ 7,868,321
8	2022 levy limit before adjustments less 2023 personal property aid		$ 36,760	$ 7,831,561
9	Total adjustments (from Section D)			$ -
10	2022 payable 2023 allowable levy			$ 7,831,561
Section B				
1	Previous year's allowable levy			$ 9,911,584
2	Previous year's actual levy			$ 9,911,584
3	Previous year's unused levy			$ -
4	Previous year's actual levy	1.500%		$ 148,674
5	Allowable increase (lessor of lines 3 or 4)			$ -
Section D: Adjustments to Allowable Levy Limit				
E	Debt service levy for general obligation debt authorized after July 1, 2005			
M	Adjustment to 2022 payable 2023 levy for annexation of land during 2022 from a town		Investigate	$ -
U	Total adjustments			$ -

Total levy increase	$ (2,080,023)
Less debt levy increase	$ (2,266,612)
Operating levy increase	$ 186,589

Next Steps….

The Mayor's proposed tax for operations (i.e. not debt) is exactly the same at the levy limit under the Wisconsin statutes.

It is highly recommended to ***NOT*** lower the operational levy. That will lower the allowed limit for future year, unless various hoops are jumped through.

The debt levy could potentially be lowered with the use of Debt Service fund balance, but is not being recommended to do so at this time. That could potentially be done for the 2024 budget after the Director of Finance/Comptroller has analyzed the Debt Service fund balance.

If you wish to make changes to the 2023 budget, please keep in mind that it is a balanced budget. Any increase in expenditures needs to be offset by either:

- Reduction in expenditures elsewhere, or
- Increase in revenues, or
- Use of General Fund unassigned fund balance, or
- A combination of any of the above.

Let the fun begin….