CITY OF STOUGHTON, 207 S FORREST ST, STOUGHTON, WISCONSIN

RESOLUTION OF THE COMMON COUNCIL		
Amend 2022 adopted budget for departmental deficits and expenditures exceeding budgetary authority		
Committee Action:	Finance Committee recommended approval ____on 03/28/2023 TIME SENSITIVE ITEM	
Fiscal Impact:	Expenditures/expenses increased by $2,350,788	
File Number:	R-xxx-2023	**Date 03/28/23**

The City of Stoughton, Wisconsin, Common Council does proclaim as follows:

RECITALS:

WHEREAS, Wis. Stat. 65.06(5) states that no department shall spend a greater sum than is appropriated by the budget for that department with certain exceptions dealing with biennial budgets, bond proceeds and contingency fund; and,

WHEREAS, due to circumstances arising after the 2022 budget was adopted, various departments and funds had deficits totaling $1,322,305 as detailed on the attached Table One and various adjustments are necessary as detailed on the attached Table Three in order to close the accounting books for 2022; and,

WHEREAS, due to circumstances arising after the 2022 budget was adopted, various departments and funds had expenditures/expenses exceeding the amended budget by amounts totaling $1,596,213 as detailed on the attached Table Two and various adjustments are necessary as detailed on the attached Table Three in order to close the accounting books for 2022; and,

General Fund

WHEREAS, there was no specific area within outside legal services paid to the City Attorney that caused the allowed expenditures to be exceeded; and,

WHEREAS, the City Clerk (a) purchased four (4) extra DS-200 ballot machines for $27,380 in order to help elections flow easier, (b) which was offset by approximately $18,000 in additional revenues (c) as well as other expenditures being about $18,000 below budgeted amounts; and,

WHEREAS, the City Council exceeded allowed expenditures due to computer equipment ordered for alderperson and/or committee meeting rooms not being included in the Council's budget; and,

WHEREAS, the cost of the July 4th fireworks for Community Commitment exceeded the budgeted amount by $8,631; and,

WHEREAS, the Finance Department had excess expenditures for audit fees of $11,378 in calendar year 2022; and,

WHEREAS, the Fire Department equipment maintenance expenditures were $30,533 over budget which was partially offset by wages and benefits $24,345 below budgeted amounts; and,

WHEREAS, the Human Resources/Risk Management Department expenditures were $19,226 over budget which was primarily (a) $15,979 in wages and benefits due to expanding hours for one position and (b) increased insurance policy premiums but these additional expenditures were offset by a workers compensation dividend at $30,549 over the budgeted amount; and,

WHEREAS, the Mayor exceeded allowed expenditures in the operating expenses category; and,

WHEREAS, the Municipal Court exceeded allowed expenditures due to a wage increase provided mid-year for employee retention; and,

WHEREAS, the Planning and Development Department had unbudgeted expenditures of $15,791 for Hill Street repairs that was offset by excess revenues of $113,938, and,

WHEREAS, the Police Department's operating deficit was only 0.4% of the total allowed budget with no specific area causing the deficit and that the Police Department's total expenditures exceeded the allowed amount primarily in wages and benefits; and,

WHEREAS, the Public Works Department had excess expenditures in tree purchases ($27,440), collision repairs ($6,661) and operating expenditures in Signs & Markings that contributed to the departmental deficit ($13,129); and,

WHEREAS, the public charges in Recreation Programs and Events were $40,236 less than budgeted, which was offset by total expenditures at $17,784 under budgeted amounts; and,

Tax Increment Districts

WHEREAS, the budget for Tax Incremental District #4- Downtown was never amended for the $15,000 transferred to the Stoughton Redevelopment Authority revolving loan fund for Overt Space, LLC as well as tax increment revenues were overestimated by $8,399; and,

WHEREAS, Internal Revenue Service rules required that Tax Increment District #6 - Business Park Expansion transfer unspent bond proceeds from Debt Issue 2019A to the Debt Service Fund in the amount of $393,618; and,

WHEREAS, the authorized expenditures for Tax Incremental District #7 – Kettle Park West were exceeded due to (a) the municipal revenue obligation due and payable in 2021 for Tax Incremental District #7 for $402,059 was never paid, (b) the 2022 budget was never amended for the legal settlement with Tru by Hilton for $62,633, (c) Debt Issue 2022A was never budgeted for in 2022 ($48,216) and (d) legal services/audit fees exceeded the amended budget by $16,022; and,

WHEREAS, the authorized expenditures for Tax Incremental District #8 – Riverfront Development were exceeded due to capital outlays for the pedestrian bridge, riverbank restoration, riverfront trails/amenities, and environmental remediation coming in over budgeted amounts by $160,825 and the fund deficit was increased to $485,107 due to the budgeted revenue for the land sale did not occur during calendar year 2022; and,

WHEREAS, the budget for Tax Incremental District #9 – 51 West was never amended when the tax incremental district was created; and,

Special Revenue Funds

WHEREAS, the Library Special Gift Fund had a deficit of $5,613 that was approved by the Library Board under their authority in Wis. Stat. Chapter 43 but the 2022 budget was never amended to reflect this additional use of fund balance; and,

WHEREAS, the Library Special Gift Fund had expenditures authorized by the Library Board that exceeded the amended budget by $18,495; and,

WHEREAS, the Food Pantry fund had expenditures exceeding the budgeted amount by $12,029 which was primarily for groceries purchased but the fund has sufficient interest income to offset these additional expenditures; and,

WHEREAS, the Landmarks Commission had expenditures that exceeded the amended budget by $12,065 for mini-grants and consulting fees and in addition requires a transfer from the Unassigned General Fund of $2,470 due to a negative fund balance; and,

WHEREAS, the Tree Commission had expenditures that exceeded the amended budget by $372 but had additional revenues to cover these expenditures; and,

WHEREAS, the Fire Department Special Fund had (a) expenditures that exceeded the budgeted amounts by $10,025, primarily in equipment purchases, (b) had additional revenues that covered most of these expenditures and (c) used $642 in fund balance for the remaining balance; and,

WHEREAS, the Fire Pension Fund had expenditures that exceeded the adopted budget by $4,203 due to actuarial fees for that were not budgeted for but had excess investment income that offset the increased expenditures; and,

WHEREAS, the Opera House Fund had (a) revenues primarily within ticket sales that were $323,860 below budgeted amounts that was partially offset by (b) wages and benefits $5,787 below budgeted amounts and (c) operational expenditures primarily within guarantees that were $151,906 below budgeted amounts; and

WHEREAS, the Opera House had a negative fund balance of $121,680 that requires a transfer from the General Fund to bring the fund balance back to zero; and,

WHEREAS, the Tourism Fund had expenditures for payments to Stoughton Visitor Services and Stoughton Chamber of Commerce exceeding the budgeted amounts by $93,472

because the related room tax revenues were 83% higher than anticipated primarily due to Tru by Hilton being in operations for a full year; and,

WHEREAS, the Refuse Fund had total expenditures exceeding the amended budget by $3,569 primarily due to additional service charges from John's Disposal that was offset by collection charges to residents as well as interest income; and,

WHEREAS, the K9 Fund had expenditures exceeding the amended budget by $18,237 related to the purchase of a new canine that was partially offset by increased donations which resulted in an operational deficit of $1,810; and,

WHEREAS, the Affordable Housing Fund had expenditures exceeding the amended budget by $1,474 due to legal fees in relation to the proposed sale of the Stoughton Housing Authority's Greenspire buildings that was offset by interest income; and,

WHEREAS, the Redevelopment Authority had (a) expenditures exceeding the budgeted amounts by $2,463 and (b) had a negative fund balance at 12/31/2021 that requires a transfer from the General Fund of $3,424 in order to (c) bring the available fund balance for the Redevelopment Authority to $12,000 so that (d) the $12,000 can be carried forward as indicated in the 2023 adopted budget; and,

WHEREAS, the Special Assessment Fund had expenditures exceeding the budgeted amounts by $154,622 in order to properly record the Hults Road properties receivables under modified accrual accounting for this special revenue fund; and,

WHEREAS, the Special Assessment Fund had an additional operational deficit of $69,130 primarily due to revenues for curb, gutter and earthwork less than anticipated; and,

Debt Service Fund

WHEREAS, the Debt Service Fund had expenditures exceeding the budgeted amounts by $3,404 for debt issuance costs but had additional revenues to offset these additional expenditures; and,

Capital Projects Funds

WHEREAS, the Building Maintenance Fund had expenditures exceeding the budgeted amounts by $28,458 primarily due to the Senior Center boiler replacement; and,

WHEREAS, the Equipment Replacement Fund had expenditures exceeding the budgeted amounts by $9,986 primarily due to no debt issuance fees being budgeted for; and

Business-Type Funds

WHEREAS, the Storm Sewer Fund had expenses exceeding the budgeted amount by $4,042 with outside service contracts being the largest component; and,

WHEREAS, the fund balance in Fund 227 EMS Truck Fund of $86,838 was transferred

to Fund 603 Emergency Medical Services to be consistent with Baker Tilly's presentation on the audited financial statements but the budget was not amended for this transfer; and,

WHEREAS, the fund balance in Fund 228 EMS Equipment Fund of $184,670 was transferred to Fund 603 Emergency Medical Services to be consistent with Baker Tilly's presentation on the audited financial statements but the budget was not amended for this transfer; and,

WHEREAS, Fund 603 Emergency Medical Services had an operational surplus in 2022 of $452,838 due to the above fund closures as well as ambulance fees that were 19% more than budgeted;

NOW THEREFORE BE IT RESOLVED, that the 2022 budget be amended to add $2,350,788 in additional expenditures as detailed on the attached Table 3.

Budget amendments require approval by eight (8) members elected.

Council Action: ☐ **Adopted** ☐ **Failed** **Vote** _____

Mayoral Action: ☐ **Accept** ☐ **Veto**

_____

Mayor Tim Swadley Date

Council Action: _____ ☐ **Override** **Vote** _____