2022 City of Stoughton Committee of the Whole Budget Workshops

Presentation Schedule

- October 14th
  - 2021 Operating Budget Overview
  - Senior Center
  - Clerk
  - Public Works
  - Law Enforcement
  - Library
  - HR/Risk Management
- October 20th
  - Opera House
  - Planning
  - Recreation
  - IT/Media Services
  - Fire
  - EMS
  - Storm Water
  - Finance, Mayor, General
- October 28th
  - Review Proposed Changes
  - Finalize 2022 Operating Budget

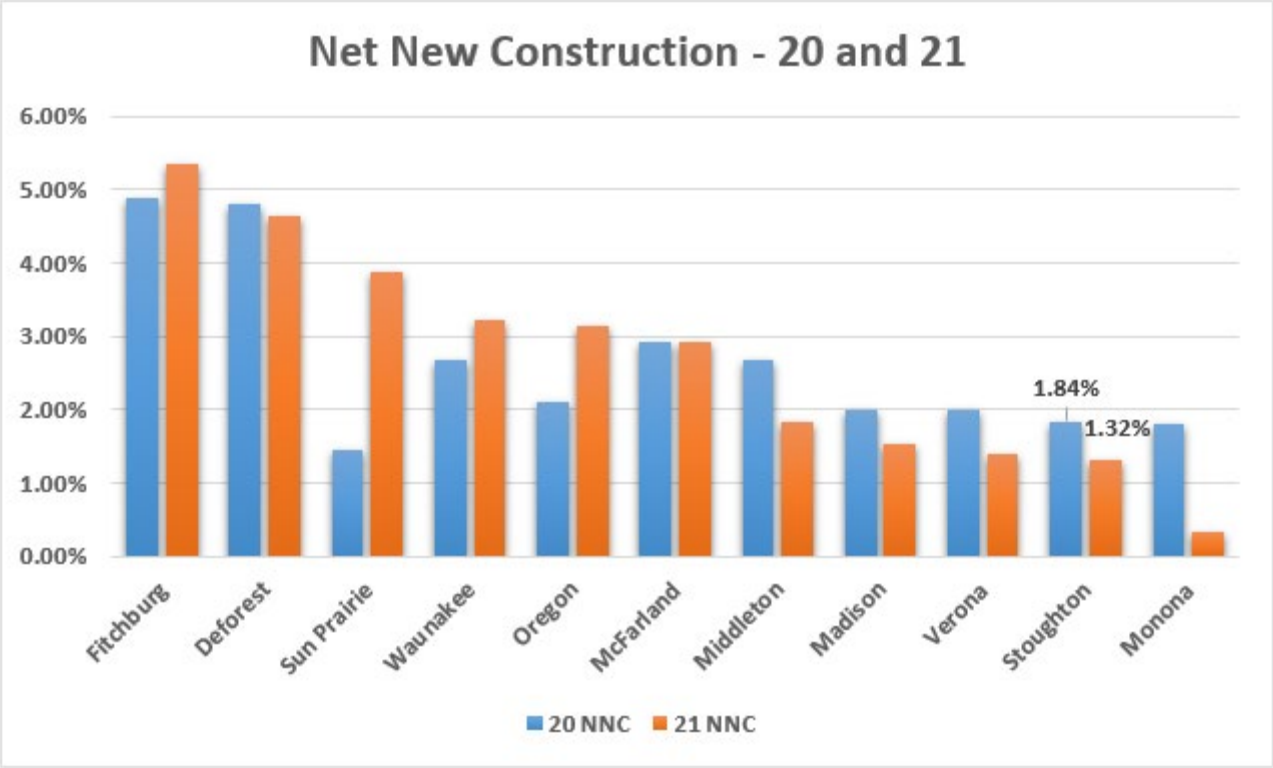
Changes Since the 10/14 COW Meeting

- Utilities costs were increased 5.77% over the information originally presented
  - This represents a 4% increase over the 2021 budgeted amount
  - Total budget for utilities and vehicle fuel has increased 6% over the 2021 budgeted amount
- As a result of increasing the utilities costs, the City was required to reduced the COLA from 3.35% to 3.10%
  - This represents a reduction of approximately $13,000

Driving Factors and Outstanding Information

- Placeholder of 3.10% wage increase (union and non-union)
- 5% increase in health insurance premiums
- Net New Construction = 1.32% resulting in $100,000 increase to base tax levy
  - See following slide for Dane County comparison
- TIF 3 termination resulting in $72,000 increase to base tax levy
- Non-labor operating budget increase in general fund of 0% (excluding transfers)
- Achieve minimum impact to mil rate while creating 5 year plan to support the City's struggling TIF Districts
- Recommend not budgeting contingency amount and establishing a policy governing this type of spending

Driving Factors and Outstanding Information (cont.)

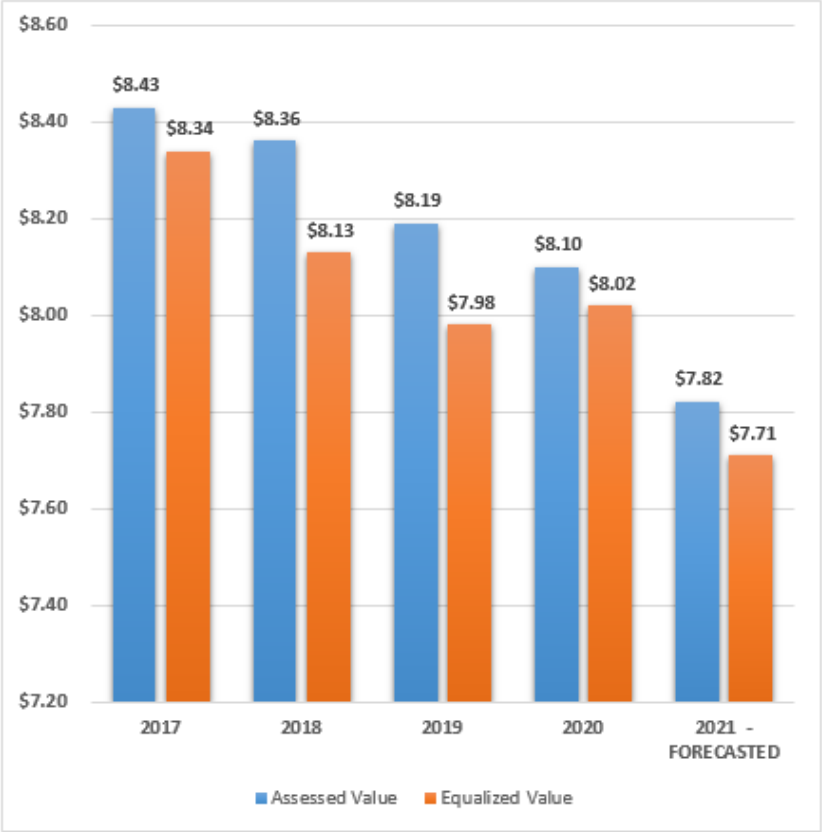


Driving Factors and Outstanding Information (cont.)

- Outstanding Items
  - Finalize COLA wage increase – COW to decide
  - Finalize staffing request(s) approved by Personnel – COW to decide
  - Confirm final ‘Expenditure Restraint’ parameters
  - Finalize fire billing amounts to the Townships – After expense budget is confirmed
  - Final Statement of Assessment from DOR – Will determine final mil rate
    - Debt service adjustments may need to be made to mitigate impact on the mil rate
  - Finalize transit budget following receipt of the October invoice

Key 2022 Budgetary Outcomes

- Tax Rate
  - Assessed
    - -3.46% to $7.82
    - 5 year average (2016-2020) = -1.26%
    - This is still an estimate at this point until we received the final Statement of Assessment
  - Equalized
    - -3.87% to $7.71
    - 5 year average (2016-2020) = -1.33%



Key 2022 Budgetary Outcomes (cont.)

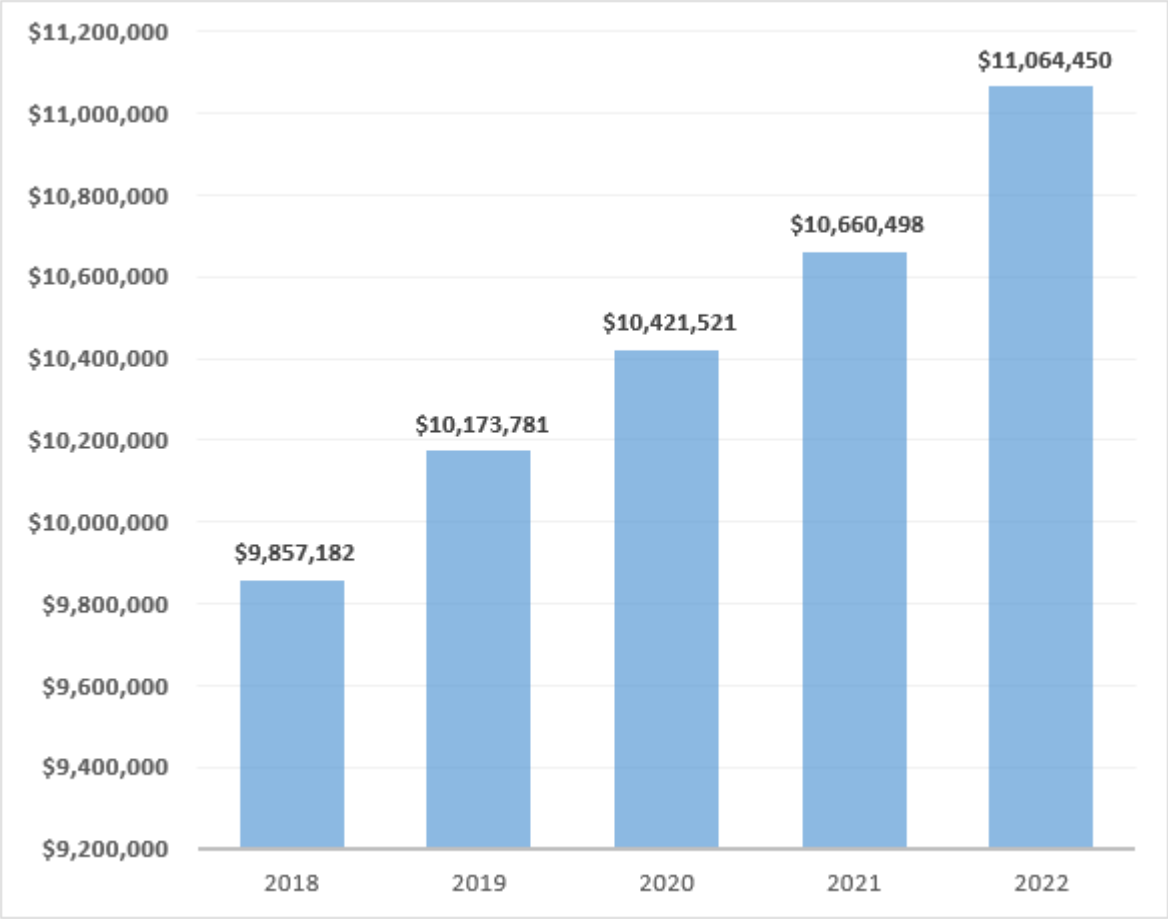
- Impact on Average Homeowner
  - Average Home Equalized Value - $248,989
    - 2.07% increase in tax payment to $1,919
    - $39 increase over 2021 levy
  - Average Home Assessed Value - $247,898
    - .73% increase in tax payment to $1,939
    - $14 increase over 2020 levy

2021 Levy		
Home Value	City Taxes - Equalized	City Taxes - Assessed *
$ 100,000	$ 771	$ 782
$ 200,000	$ 1,541	$ 1,564
$ 300,000	$ 2,312	$ 2,346

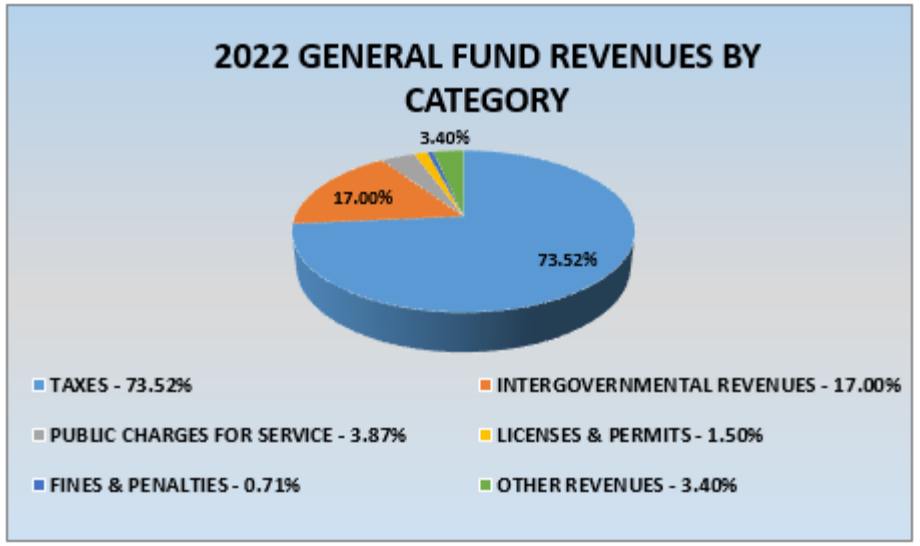
* - Based on forecasted Statement of Assessment

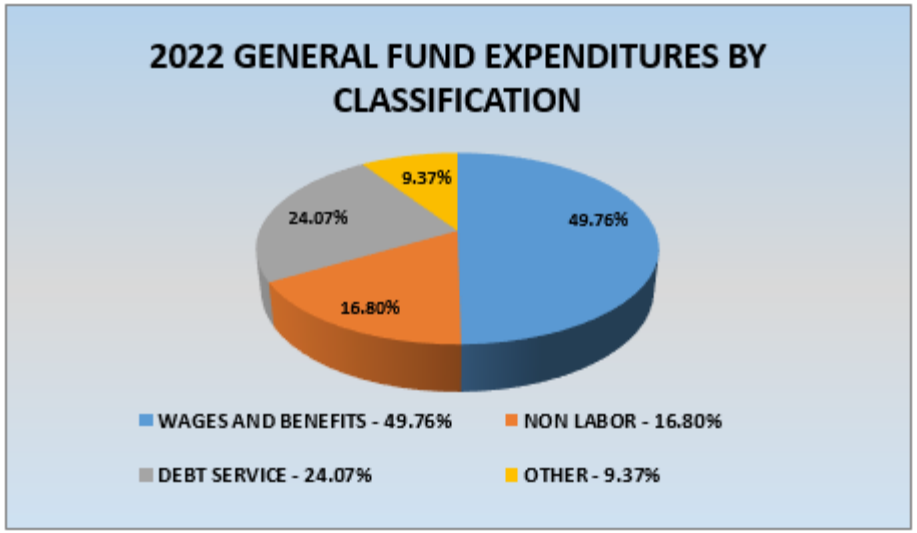
Key 2022 Budgetary Outcomes (cont.)

- General Fund Expenditures
  - Using ERP formula, General Fund expenditures are increasing over 2021 by 3.79%
  - Five year average = 2.83%



2022 General Fund Operating Budget - Condensed





	2022 MAYOR'S BUDGET	2021 ADOPTED BUDGET
REVENUES		
TAXES		
- OPERATIONS	$ 7,344,830	$ 6,930,584
- DEBT	$ 3,565,553	$ 3,284,186
INTERGOVERNMENTAL REVENUES	$ 2,523,069	$ 2,359,231
PUBLIC CHARGES FOR SERVICE	$ 574,771	$ 571,199
LICENSES & PERMITS	$ 222,400	$ 200,500
FINES, FORFEITS & PENALTIES	$ 105,000	$ 147,000
OTHER REVENUES	$ 504,267	$ 635,739
	$ 14,839,890	$ 14,128,439
EXPENDITURES		
WAGES	$ 5,438,420	$ 5,202,895
HEALTH AND DENTAL	$ 1,098,341	$ 1,032,924
BENEFITS	$ 834,312	$ 801,906
NON LABOR	$ 2,489,065	$ 2,491,423
DEBT SERVICE	$ 3,565,553	$ 3,284,186
CONTINGENCY	$ -	$ 100,000
OPERA HOUSE	$ 195,000	$ 195,000
LIBRARY	$ 646,350	$ 632,350
EMS	$ -	$ -
CAPITAL OUTLAY	$ 200,000	$ 200,000
OTHER	$ 346,960	$ 179,000
	$ 14,814,001	$ 14,119,684
NET OF REVENUES / EXPENDITURES OTHER FUNDS FOR AUDIT PURPOSES	$ (113,000)	$ (5,000)
NET REVENUES / EXPENDITURES	$ (87,112)	$ 3,755

Anticipated Expenditure Restraint Impact

Description	2021 Adopted Gen Fund Budget	2022 Proposed Gen Fund Budget	$ Amount 2022-2021	% DIFF 2022-2021
TOTAL REVENUE	13,953,439	14,655,892	702,453	5.03%
TOTAL EXPENSE	13,944,684	14,630,003	685,319	4.91%
TOTAL GENERAL FUND	8,755	25,888		

EXPENDITURE RESTRAINT	2021	2022
TOTAL GENERAL FUND	13,953,439	14,655,892
LESS TRANSFER TO DEBT	3,284,186	3,565,553
NET GENERAL OP EXP	10,669,253	11,090,339

2022 GEN FUND EXP	$	11,064,450
2021 GEN FUND EXP	$	10,660,498
GEN FUND DOLLAR CHANGE	$	403,952
GEN FUND % CHANGE		3.79%

Anticipated Expenditure Restraint Impact (cont.)

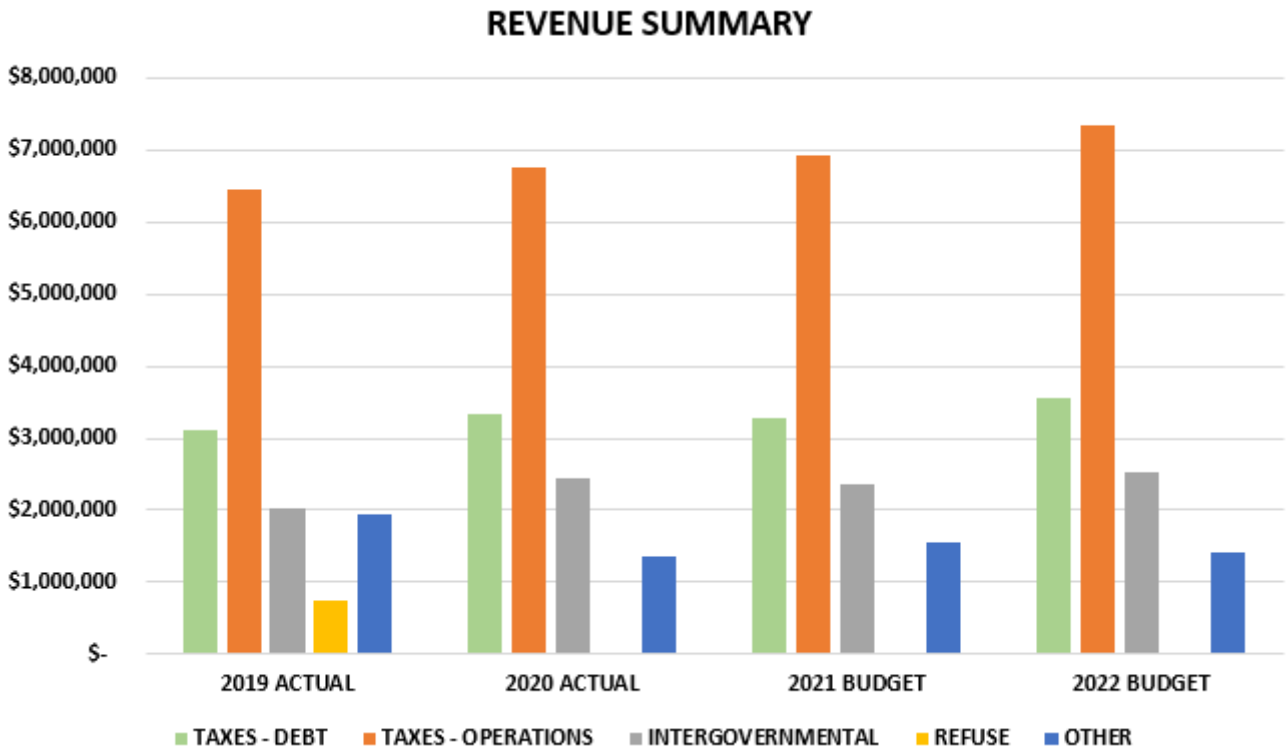
Growth Factor Calculations	2022	2021
1. Net new construction during 2020	$ 16,718,900	$ 22,658,900
2. 2020 total equalized value	$ 1,268,041,900	$ 1,233,724,300
3. Percent increase	1.318%	1.837%
4. Adjustment factor	60%	60%
5. Adjusted percent increase	0.791%	1.102%
6. Maximum allowable increase	2.00%	2.00%
7. Your growth factor	0.791%	1.102%
8. Consumer price index	3.0%	1.4%
9. Total Budget Growth Limit	**3.8%**	**2.5%**

- The preliminary budget at this point indicates a 3.79% increase leaving approximately $1,146 in allowable expenditures yet to be budgeted

2022 General Fund Operating Revenue Summary

REVENUE	2022 BUDGET	2021 BUDGET	20 ACTUAL	19 ACTUAL	18 ACTUAL	20 BUDGET	19 BUDGET	18 BUDGET
TAXES	$ 10,910,383	$ 10,214,770	$ 10,108,052	$ 9,562,229	$ 9,033,861	$ 10,141,534	$ 9,572,362	$ 8,989,687
OTHER FINANCING SOURCES	$ 45,000	$ 187,000	$ 64,900	$ 196,169	$ 23,950	$ 65,000	$ 110,000	$ 105,000
INTERGOVERNMENTAL REVENUES	$ 379,688	$ 411,931	$ 639,072	$ 340,270	$ 410,704	$ 459,531	$ 362,680	$ 396,965
STATE AIDS								
- STATE SHARED TAXES	$ 523,465	$ 539,950	$ 523,123	$ 523,592	$ 522,445	$ 539,975	$ 559,550	$ 557,481
- STATE UTILITY AID	$ 40,000	$ 22,350	$ 23,294	$ 20,900	$ 17,030	$ 20,070	$ -	$ -
- EXPENDITURE RESTRAINT PAYMENT	$ 245,000	$ 235,200	$ 238,146	$ 231,263	$ 228,341	$ 238,150	$ 231,250	$ 228,341
- EXEMPT COMPUTER AID	$ 61,156	$ 59,500	$ 59,960	$ 59,960	$ 58,543	$ 60,000	$ 59,000	$ 58,000
- PERSONAL PROPERTY AID	$ 36,760	$ 33,400	$ 36,760	$ 40,068	$ -	$ 36,700	$ 40,000	$ -
- STATE ROAD ALLOTMENT	$ 1,156,000	$ 1,005,000	$ 874,245	$ 760,213	$ 495,791	$ 874,000	$ 760,000	$ 599,496
- STATE AID - STREETS	$ 81,000	$ 51,900	$ 51,731	$ 51,860	$ 38,921	$ 51,700	$ 51,500	$ 51,000
LICENSES & PERMITS	$ 222,400	$ 200,500	$ 259,023	$ 229,789	$ 298,153	$ 199,075	$ 221,900	$ 207,500
FINES, FORFEITS & PENALTIES	$ 105,000	$ 147,000	$ 88,178	$ 149,398	$ 168,454	$ 155,000	$ 127,500	$ 121,000
PUBLIC CHARGES FOR SERVICE	$ 574,772	$ 571,199	$ 421,869	$ 1,386,756	$ 1,359,402	$ 588,894	$ 1,351,660	$ 1,384,190
INTERGOVERNMENTAL CHARGES FOR SERVICES	$ 82,000	$ 82,000	$ 64,000	$ 82,000	$ 82,000	$ 64,000	$ 82,000	$ 82,000
MISCELLANEOUS REVENUE	$ 377,268	$ 366,739	$ 460,649	$ 633,560	$ 652,859	$ 442,505	$ 393,066	$ 307,031
	$ 14,839,892	$ 14,128,439	$ 13,913,002	$ 14,268,027	$ 13,390,454	$ 13,936,134	$ 13,922,468	$ 13,087,691

2021 General Fund Operating Revenue Summary (cont.)



2022 General Fund Non Labor Summary

NON LABOR EXPENDITURES

	2022 BUDGET	2021 BUDGET	20 ACTUAL	19 ACTUAL	18 ACTUAL	20 BUDGET	19 BUDGET	18 BUDGET
LEGISLATIVE	$ -	$ -	$ -	$ -	$ -	$ -	$ 500	$ 500
JUDICIAL	$ 10,700	$ 12,300	$ 9,374	$ 9,262	$ 9,541	$ 12,300	$ 12,050	$ 11,800
LEGAL	$ 157,000	$ 140,000	$ 127,927	$ 137,278	$ 138,063	$ 140,000	$ 130,000	$ 110,500
MAYOR	$ 11,400	$ 13,100	$ 10,412	$ 9,878	$ 10,438	$ 12,800	$ 12,550	$ 12,200
CLERK	$ 21,850	$ 22,950	$ 17,400	$ 21,125	$ 18,833	$ 23,250	$ 25,450	$ 29,050
ELECTION	$ 37,500	$ 20,000	$ 53,797	$ 10,900	$ 29,170	$ 43,225	$ 16,750	$ 31,500
FINANCE	$ 101,250	$ 105,600	$ 94,221	$ 91,968	$ 108,578	$ 100,500	$ 97,100	$ 96,191
TAXI GRANT	$ 229,008	$ 206,000	$ 175,120	$ 151,453	$ 172,111	$ 191,000	$ 209,000	$ 200,000
ASSESSOR	$ 43,700	$ 44,200	$ 48,190	$ 47,809	$ 47,475	$ 47,900	$ 47,500	$ 47,500
HR-RM	$ 13,150	$ 15,940	$ 10,863	$ 9,807	$ 11,360	$ 17,770	$ 31,590	$ 19,850
OTHER GENERAL GOVERNMENT	$ 57,750	$ 92,700	$ 58,165	$ 74,718	$ 68,428	$ 88,000	$ 123,000	$ 74,500
INSURANCE	$ 257,900	$ 289,296	$ 221,409	$ 262,844	$ 253,596	$ 279,600	$ 286,264	$ 272,893
LAW ENFORCEMENT	$ 300,600	$ 299,060	$ 263,234	$ 243,975	$ 311,204	$ 276,960	$ 288,660	$ 281,600
FIRE PROTECTION	$ 123,125	$ 109,869	$ 117,572	$ 88,191	$ 98,033	$ 88,750	$ 90,525	$ 84,325
INSPECTION	$ 3,600	$ 3,600	$ 4,325	$ 3,400	$ 3,855	$ 3,600	$ 4,000	$ 3,200
CITY BUILDINGS	$ 95,140	$ 98,500	$ 101,259	$ 104,103	$ 72,282	$ 108,388	$ 71,750	$ 75,750
HWY & STREET MAINT	$ 322,100	$ 315,100	$ 278,968	$ 353,997	$ 275,511	$ 306,740	$ 308,300	$ 296,985
SNOW REMOVAL	$ 70,000	$ 68,000	$ 65,968	$ 59,527	$ 66,393	$ 68,000	$ 68,000	$ 70,000
SIGNS AND MARKINGS	$ 18,000	$ 18,000	$ 21,737	$ 14,442	$ 20,662	$ 18,000	$ 18,000	$ 18,000
STREET LIGHTING	$ 105,000	$ 118,000	$ 93,490	$ 109,217	$ 127,519	$ 120,000	$ 128,000	$ 130,000
SANITATION	$ -	$ -	$ -	$ 716,530	$ 714,385	$ -	$ 715,000	$ 715,000
SENIOR CENTER	$ 92,400	$ 88,000	$ 78,605	$ 119,498	$ 114,850	$ 82,150	$ 72,000	$ 70,000
CEMETERY	$ 36,000	$ 36,000	$ 33,323	$ 37,421	$ 40,147	$ 36,000	$ 35,000	$ 35,000
COMMUNITY COMMITMENT	$ 5,000	$ 5,000	$ 5,414	$ 2,388	$ 1,286	$ 5,500	$ 4,000	$ 7,300
PARKS	$ 86,020	$ 76,200	$ 74,038	$ 67,262	$ 66,138	$ 76,700	$ 74,500	$ 61,500
RECREATION	$ 97,719	$ 112,368	$ 49,999	$ 106,653	$ 107,167	$ 108,387	$ 114,889	$ 118,285
YOUTH CENTER	$ 16,755	$ 16,500	$ 14,280	$ 36,860	$ 43,418	$ 16,500	$ 39,912	$ 49,750
IT/MEDIA SERVICES	$ 131,900	$ 133,640	$ 98,383	$ 65,169	$ 59,541	$ 127,570	$ 92,880	$ 88,492
PLANNING	$ 44,500	$ 31,500	$ 35,713	$ 25,065	$ 28,570	$ 28,750	$ 28,250	$ 23,000
TRANSFERS	$ 4,953,863	$ 4,590,536	$ 4,794,078	$ 4,180,052	$ 3,612,696	$ 4,583,613	$ 4,187,430	$ 3,725,094
	$ 7,442,930	$ 7,081,959	$ 6,957,264	$ 7,160,792	$ 6,631,250	$ 7,011,953	$ 7,332,850	$ 6,759,765

2022 General Fund Wage, Benefits and Insurance Summary

GENERAL FUND LABOR AND BENEFITS

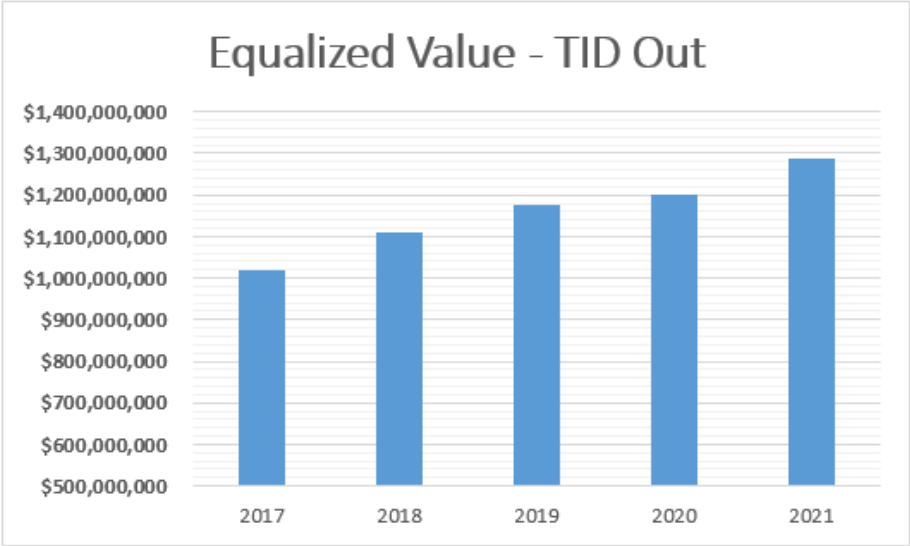
	2022 BUDGET	2021 BUDGET	20 ACTUAL	19 ACTUAL	18 ACTUAL	20 BUDGET	19 BUDGET	18 BUDGET
LABOR	$ 5,438,420	$ 5,202,895	$ 4,979,228	$ 4,893,122	$ 4,728,979	$ 5,096,025	$ 4,891,939	$ 4,638,077
BENEFITS	$ 834,312	$ 801,906	$ 769,328	$ 731,300	$ 704,852	$ 782,036	$ 712,023	$ 725,344
HEALTH/DENTAL	$ 1,098,341	$ 1,032,924	$ 977,498	$ 980,216	$ 898,588	$ 1,037,300	$ 985,282	$ 953,802
	$ 7,371,074	$ 7,037,725	$ 6,726,054	$ 6,604,638	$ 6,332,419	$ 6,915,361	$ 6,589,244	$ 6,317,223

GENERAL FUND LABOR AND BENEFITS

	2022 BUDGET	2021 BUDGET	20 ACTUAL	19 ACTUAL	18 ACTUAL	20 BUDGET	19 BUDGET	18 BUDGET
SALARIES	$ 1,053,951	$ 997,868	$ 1,007,168	$ 967,150	$ 913,913	$ 995,296	$ 963,062	$ 870,528
WAGES	$ 3,400,039	$ 3,196,668	$ 3,135,353	$ 2,992,679	$ 2,872,404	$ 3,088,005	$ 2,935,586	$ 2,865,504
WAGES - SENIOR CASE MGMT.	$ 125,156	$ 124,278	$ 97,666	$ 98,514	$ 91,732	$ 121,621	$ 119,250	$ 114,604
WAGES - DISPATCH	$ 316,369	$ 320,355	$ 309,289	$ 325,923	$ 328,734	$ 321,320	$ 313,757	$ 311,294
WAGES - COMMUNITY SERVICE OFFICER	$ 23,061	$ 22,362	$ 20,922	$ 26,744	$ 12,684	$ 21,852	$ 21,404	$ 11,980
WAGES - VOLUNTEERS	$ 100,000	$ 110,000	$ 86,779	$ 85,686	$ 93,260	$ 110,000	$ 117,000	$ 107,857
OVERTIME - DISPATCH	$ 11,500	$ 11,500	$ 20,897	$ 11,330	$ 9,778	$ 13,000	$ 13,000	$ 13,000
OVERTIME	$ 148,000	$ 143,500	$ 143,027	$ 141,099	$ 168,385	$ 139,800	$ 139,500	$ 100,500
WAGES - PART TIME	$ 210,544	$ 93,060	$ 56,315	$ 86,058	$ 71,151	$ 91,476	$ 84,042	$ 75,897
SEASONAL/TEMPORARY/VOLUNTEER		$ 133,504	$ 51,928	$ 112,447	$ 114,401	$ 144,155	$ 136,338	$ 118,063
LONGEVITY - VOLUNTEERS	$ 7,800	$ 7,800	$ 5,935	$ 7,025	$ 7,255	$ 7,500	$ 9,000	$ 8,850
FIRE PENSION BENEFIT	$ 42,000	$ 42,000	$ 43,949	$ 38,467	$ 45,282	$ 42,000	$ 40,000	$ 40,000
EMPLOYEE BENEFITS	$ 834,312	$ 801,906	$ 769,328	$ 731,300	$ 704,852	$ 782,036	$ 712,023	$ 725,344
HEALTH INSURANCE	$ 1,098,341	$ 1,032,924	$ 977,498	$ 980,216	$ 898,588	$ 1,037,300	$ 985,282	$ 953,802
	$ 7,371,074	$ 7,037,725	$ 6,726,054	$ 6,604,638	$ 6,332,419	$ 6,915,361	$ 6,589,244	$ 6,317,223

Significant Items for 2022

- Equalized value growth rate of 6.11%
  - Debt capacity will increase accordingly



Significant Items for 2022 (General Fund Impact)

- Health and dental insurance increase: $65,400 or 6.33%
- Payroll increase: $235,500 or 4.53%
  - Salaries and Wages increase: $257,000 or 5.51%
  - Volunteers decrease: $10,000 or 9.09%
  - Overtime increase: $4,500 or 2.90%
  - Part time and seasonal wage decrease: $16,000 or 7.07%
- Payroll benefits increase: $32,400 or 4.04%
- Debt service increase: $131,625 or 3.8%
- Operating transfers increase: $82,000 or 6.27%

Summary of Policy for Unassigned Fund Balance

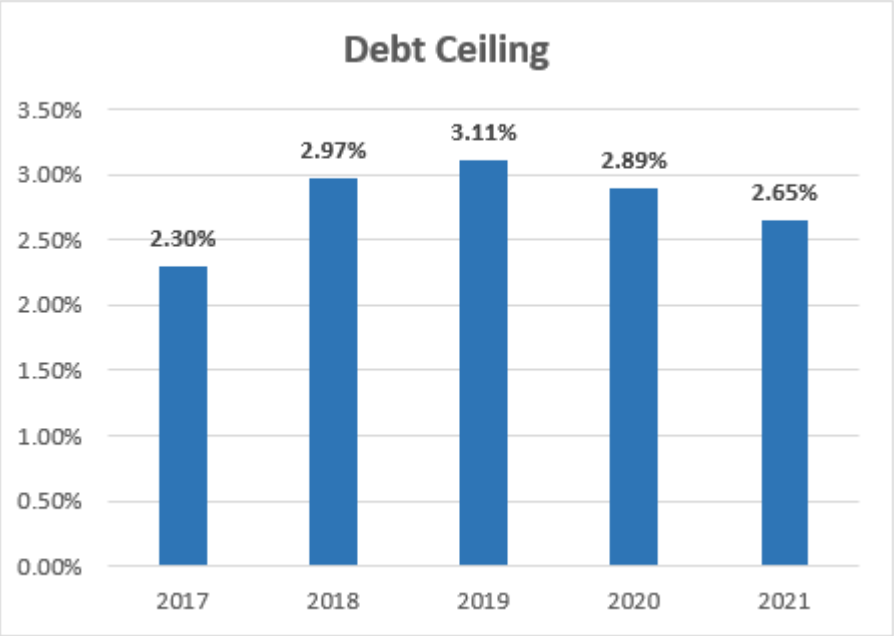
- Policy is to maintain General Fund Unassigned Fund Balance between 20% and 25% of the subsequent year's operating expenditure budget
- Recent compliance history
  - 2020: 29.0% ($4,049,750 total; $564,172 excess)
  - 2019: 27.9% ($3,887,629 total; $406,606 excess)
  - 2018: 27.5% ($3,599,051 total; $331,804 excess)
  - 2017: 26.6% ($3,411,601 total; $205,040 excess)
- Due to maintaining a conservative approach to the 2021 budget due to concerns over the pandemic and the Federal Funding provided to the Opera House, we anticipate this upwards trend to continue

Summary of Policy for Unassigned Fund Balance (cont.)

- The 2022 budget tentatively includes use of Unassigned Fund Balance to fund the planned 2022 employee retirements (depends on the results of the approved staffing reqests)
- Finance is tentatively planning to bring a request to fund the Technology Fund for $100,000 at the December Council meeting – This will depend on the forecasted 2021 operating results and the Contingency Funding policy
- The excess fund balance is sufficient enough to cover these costs without falling below the 25% threshold
- The City does have a relatively high debt burden and Moody's would look unfavorably if we decreased the Unassigned Fund Balance below the 25% threshold
- The City's policy is to limit the use of Unassigned Fund Balance to one-time expenditures

Debt Service Summary

- City debt limit policy
  - Policy: Remain below 4% of the City equalized property value
  - The City will be at 2.65% at the end of 2021
- Percentage of levy
  - Policy: Remain below 40% of total levy
  - Forecasted 2021 levy is 36%



Acknowledgements

- Finance Department Staff
- Department Heads – This really does take a lot of effort on their part
- Council Members

Committee of Whole Discussion

- Questions of Staff
- Confirm COLA wage increase
- Confirm recommendations from Personnel Committee
- Provide direction on whether or not to budget contingency spending or establish a formal policy
- Provide further direction additional research or information required prior to the next workshop