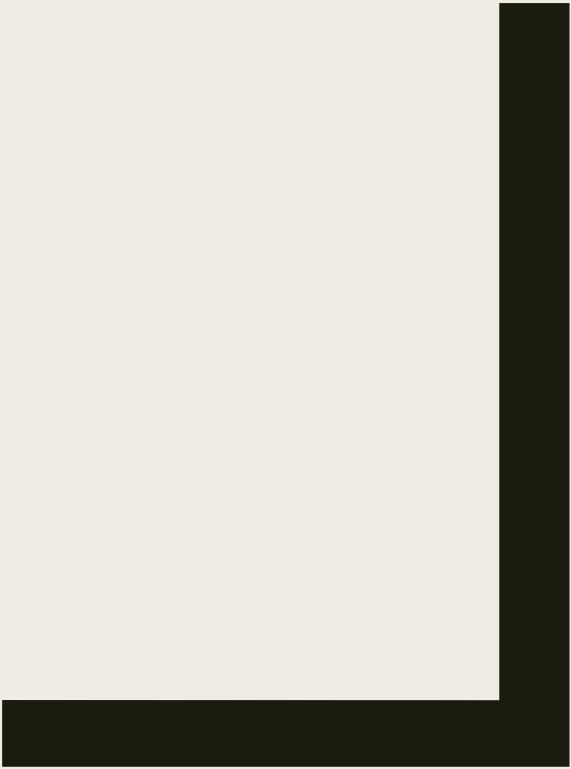


CITY OF STOUGHTON
COMMITTEE OF THE WHOLE
2024 BUDGET WORKSHOPS



Key factors and information

- Wage increase for employees, both union and non-union) is currently at 4.5%.
- Health insurance premiums increased by 6.0% *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 6.26%
- Net new construction for budget year 2024 is 1.99%, which was the second highest year under the current levy limit statutes. This allowed for an increase of \$156,514 in the operational tax levy.
- *New for 2024* – The City will receive \$324,825 in Supplemental Shared Revenue. This revenue was allocated between Police (60%), Fire (30%) and Public Works (10%).
- *The Supplemental Shared Revenue, as of 9/23/23, accounted for only 43% of the wage and benefit increases for the above departments.*
- Given that the City's equalized value increased by 13.66% for 2024, the mill rate property taxes WILL decrease.
- Consistent with the 2022 and 2023 adopted budgets, there is nothing budgeted in the contingency account.

Key factors and information (continued)

- General Transportation Aids – decreased by \$58,000
- Connecting Highway Aids – increased by \$16,000
- Expenditure Restraint Program – decreased by \$23,000
- Shared Ride Services (taxi program)
 - Grant funding – decreased by \$37,000
 - Ride volume – increased by \$28,000
- Drum roll please.....
- Interest income increased by \$520,000
 - Year to date through August is \$368,000 and projection is \$552,000

Projected based upon 8 months actual. The Fed raised rates February 2023 (0.25%), March 2023 (0.25%), May 2023 (0.25%) and July 2023 (0.25%), so the interest in the first half of the year is going to be lower than the second half of the year. The Fed recently left the rate the same. It seems reasonable to use a higher interest value for 2024 than 2023. If interest rates do go down, price of goods also goes down, but there is not a one-to-one correlation. DPE 09-27-2023.

Net New Construction data

Report Year	Budget Year	City of Stoughton			County of Dane			State of Wisconsin		
		Allowed Increase	Averages		Allowed Increase	Averages		Allowed Increase	Averages	
			Three Yr	Five Yr		Three Yr	Five Yr		Three Yr	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%
2023	2024	1.99%	1.91%	1.81%	2.44%	2.35%	2.32%	1.74%	1.68%	1.65%

Equalized value data

Report Year	Budget Year	City of Stoughton				County of Dane				State of Wisconsin			
		EQ Value (Exclude TIDs)	Annual Increase	Averages		EQ Value (Exclude TIDs)	Annual Increase	Averages		EQ Value (Exclude TIDs)	Annual Increase	Averages	
				Three Yr	Five Yr			Three Yr	Five Yr			Three Yr	Five Yr
2014	2015	\$ 886,512,800	n/a	n/a	n/a	\$ 49,509,314,700	n/a	n/a	n/a	\$ 463,822,280,345	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	\$ 474,255,259,895	2.25%	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	\$ 487,883,400,245	2.87%	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	\$ 506,093,137,995	3.73%	2.95%	n/a
2018	2019	\$ 1,110,930,600	8.93%	6.38%	n/a	\$ 62,121,666,600	7.61%	6.61%	n/a	\$ 528,515,932,585	4.43%	3.68%	n/a
2019	2020	\$ 1,176,283,200	5.88%	6.93%	5.83%	\$ 66,499,944,400	7.05%	7.02%	6.09%	\$ 557,904,479,536	5.56%	4.57%	3.77%
2020	2021	\$ 1,199,002,400	1.93%	5.58%	5.39%	\$ 70,070,629,900	5.37%	6.68%	6.45%	\$ 586,263,340,337	5.08%	5.02%	4.34%
2021	2022	\$ 1,286,313,900	7.28%	5.03%	6.00%	\$ 72,334,792,600	3.23%	5.22%	5.94%	\$ 625,053,658,893	6.62%	5.75%	5.08%
2022	2023	\$ 1,499,453,200	16.57%	8.59%	8.12%	\$ 83,847,065,700	15.92%	8.17%	7.84%	\$ 713,256,330,137	14.11%	8.60%	7.16%
2023	2024	\$ 1,704,238,900	13.66%	12.50%	9.06%	\$ 93,312,592,600	11.29%	10.15%	8.57%	\$ 805,104,473,037	12.88%	11.20%	8.85%

Mill Rate Comparison

This slide will be updated once debt levy amounts are confirmed with Ehlers.

Stay tuned.....

Budget status as of 9/27/2023 at 5:45 p.m.

- *Keep in mind that the budget is still very fluid at this point in time....*
- *We are still \$156,571 above the levy limit.*
- The Mayor and Director of Finance/Comptroller will continue to look for ways to adhere to the levy limit statutes.
- As an FYI, each 0.5% wage increase is about \$37,000 in wages and related benefits.

Property tax comparison – by department

Row Labels	Sum of 2024	Sum of 2023	Increase (Decrease)	Increase (Decrease)
City Attorney	\$ 165,000	\$ 185,000	\$ (20,000)	-10.8%
City Clerk	\$ 224,293	\$ 180,536	\$ 43,757	24.2%
City Council	\$ 47,100	\$ 49,005	\$ (1,905)	-3.9%
Economic Development	\$ 15,000	\$ 7,500	\$ 7,500	100.0%
Finance	\$ 661,189	\$ 516,692	\$ 144,497	28.0%
Fire	\$ 378,552	\$ 365,178	\$ 13,374	3.7%
Fireworks	\$ 11,350	\$ 25,000	\$ (13,650)	-54.6%
Human Resources / Risk Mgmt	\$ 588,343	\$ 528,814	\$ 59,529	11.3%
Info Tech / Media Services	\$ 475,607	\$ 447,120	\$ 28,487	6.4%
Landmarks Commission	\$ 21,860	\$ 17,960	\$ 3,900	21.7%
Mayor	\$ 124,852	\$ 114,354	\$ 10,498	9.2%
Municipal Court	\$ (9,108)	\$ (32,112)	\$ 23,004	-71.6%
Opera House	\$ 209,275	\$ 234,876	\$ (25,601)	-10.9%
Planning & Development	\$ 507,414	\$ 483,627	\$ 23,787	4.9%
Police	\$ 3,915,014	\$ 3,555,918	\$ 359,096	10.1%
General Revenues	\$ (2,681,473)	\$ (1,965,513)	\$ (715,960)	36.4%
Public Library	\$ 761,686	\$ 726,880	\$ 34,806	4.8%
Public Works	\$ 636,299	\$ 491,771	\$ 144,528	29.4%
Recreation Programs	\$ 254,524	\$ 179,372	\$ 75,152	41.9%
Redevelopment Authority	\$ 15,310	\$ 20,500	\$ (5,190)	-25.3%
Senior Center	\$ 455,818	\$ 411,256	\$ 44,562	10.8%
Shared Ride Services	\$ 67,800	\$ 7,886	\$ 59,914	759.8%
Special Assessments		\$ (19,000)	\$ 19,000	-100.0%
Grand Total	\$ 6,845,705	\$ 6,532,620	\$ 313,085	4.8%
Levy limit	\$ (6,689,134)		\$ (156,514)	
Levy limit exceeded by	\$ 156,571		\$ 156,571	

Levy departmental highlights – supplement to Mayor’s slides

- City Clerk – Going from two elections in 2023 to four elections in 2024.
- Finance -- Addition of a Assistant Finance Director and (unfortunately) addition audit fees due to the Single Audit.
- Opera House – Reduction in property tax levy due to additional revenues.
- Planning & Development – Increased revenues but still remaining conservative for when development may slow down.
- With the assistance of the Supplemental Shared Revenue, the 2024 budget includes a new full-time firefighter, a new patrol officer and new full time Emergency Medical Technician.

Fund balance / net position applied to budget

- \$85,000 for retirement payouts as per R-175-2022.

Fund balance policy application (General Fund only)

This slide will be updated once it has been confirmed that no additional fund balance will be applied to the 2024 budget.

Stay tuned....

Expenditure Restraint Program

The calculations have not been done yet due to the complications from the Supplemental Shared Revenue.

Stay tuned.....

Levy limit worksheet

Section A:

2022 payable 2023 actual levy		\$	10,511,294	
2023 personal property aid		\$	33,453	
1 2022 payable 2023 actual levy plus 2022 personal property aid				\$10,544,747
3 Exclude 2022 levy for new general obligation debt authorized after July 1, 2005				\$ 2,679,733
4 2022 payable 2023 adjusted actual city levy				\$ 7,865,014
5 Terminated TID applied to 2022 adjusted actual levy	0.000%	\$	-	\$ 7,865,014
6 Net new construction applied to 2023 adjusted actual levy	1.990%	\$	156,514	\$ 8,021,528
7 Greater of Line 5 or Line 6				\$ 8,021,528
8 2023 levy limit before adjustments less 2024 personal property aid		\$	33,453	\$ 7,988,075
9 Total adjustments (from Section D)				\$ -
10 2023 payable 2024 allowable levy				\$ 7,988,075

Section B

1 Previous year's allowable levy				\$10,511,294
2 Previous year's actual levy				\$10,511,294
3 Previous year's unused levy				\$ -
4 Previous year's actual levy	1.500%			\$ 157,669
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		To be determined	\$	-
M Adjustment to 2023 payable 2024 levy for annexation of land during 2023 from a town		To be determined	\$	-
U Total adjustments			\$	-

Total levy increase	\$ (2,523,219)
Less debt levy increase	\$ (2,679,733)
Operating levy increase	\$ 156,514

Next Steps....

The Mayor's proposed tax for operations (i.e. not debt) WILL BE exactly the same as 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.

If you wish to make changes to the 2024 budget, please keep in mind that it is intended to be 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....