

2017 PROPOSED OPERATING AND CAPITAL BUDGET

Lori S. Curtis Luther, City Manager

**Eric R. Miller, Finance &
Administrative Services Director**

October 3, 2016



2017 Budget Summary



- The City's proposed Budget for all funds, including the capital improvements budget, is \$96 million. This is a decrease of \$427,000 or -0.44% from the 2016 Budget.
- The General Fund Budget totals \$30.9 million. This is an increase of \$352,000 or 1.15% from the 2016 Budget.
- Enterprise Fund Budgets increased by a combined total of \$306,000 to \$18.5 million.

Summary of 2017 Budget

	2016 Adopted Budget	2017 Proposed Budget	Change Amount	Percent Change
General Fund	\$30,546,426	\$30,898,543	\$352,117	1.15%
Debt Service Fund	\$6,339,239	\$6,685,085	\$345,846	5.46%
Special Revenue Funds	\$14,807,686	\$16,309,872	\$1,502,186	10.14%
Enterprise Funds	\$18,215,343	\$18,521,829	\$306,486	1.68%
Total Operating Budget	\$69,908,694	\$72,415,329	\$2,506,635	3.59%
Internal Service Funds	\$11,679,721	\$11,762,985	\$83,264	0.71%
Total Budget with Internal Service Fund	\$81,588,415	\$84,178,314	\$2,589,899	3.17%
Capital Improvements Budget	\$14,840,629	\$11,823,693	(\$3,016,936)	-20.33%
Grand Total Budget	\$96,429,044	\$96,002,007	(\$427,037)	-0.44%

Budget Highlights

- The Fire department will add the remaining portion of the veteran position, previously funded by the original SAFER grant which expired on June 30, 2016, to the general fund. This will be necessary in order to remain in compliance with the new SAFER grant which currently funds three firefighters for both the 2016 and 2017 fiscal years. These are not permanent positions and will be reevaluated upon expiration of the grant.
- The Police Department underwent an organizational restructure while maintaining the same number of sworn personnel. This was possible by holding vacant the Deputy Chief position. Plan to replace with an Inspector when funding is available.
- The Assistant City Manager, Human Resources Analyst, and Public Works Operations Director will remain vacant for 2017.
- Although there were some positions held open in order to balance the budget, the City was able to fund positions in the City Attorney (Full time) and Information Technology (Part time) Departments to address critical needs.

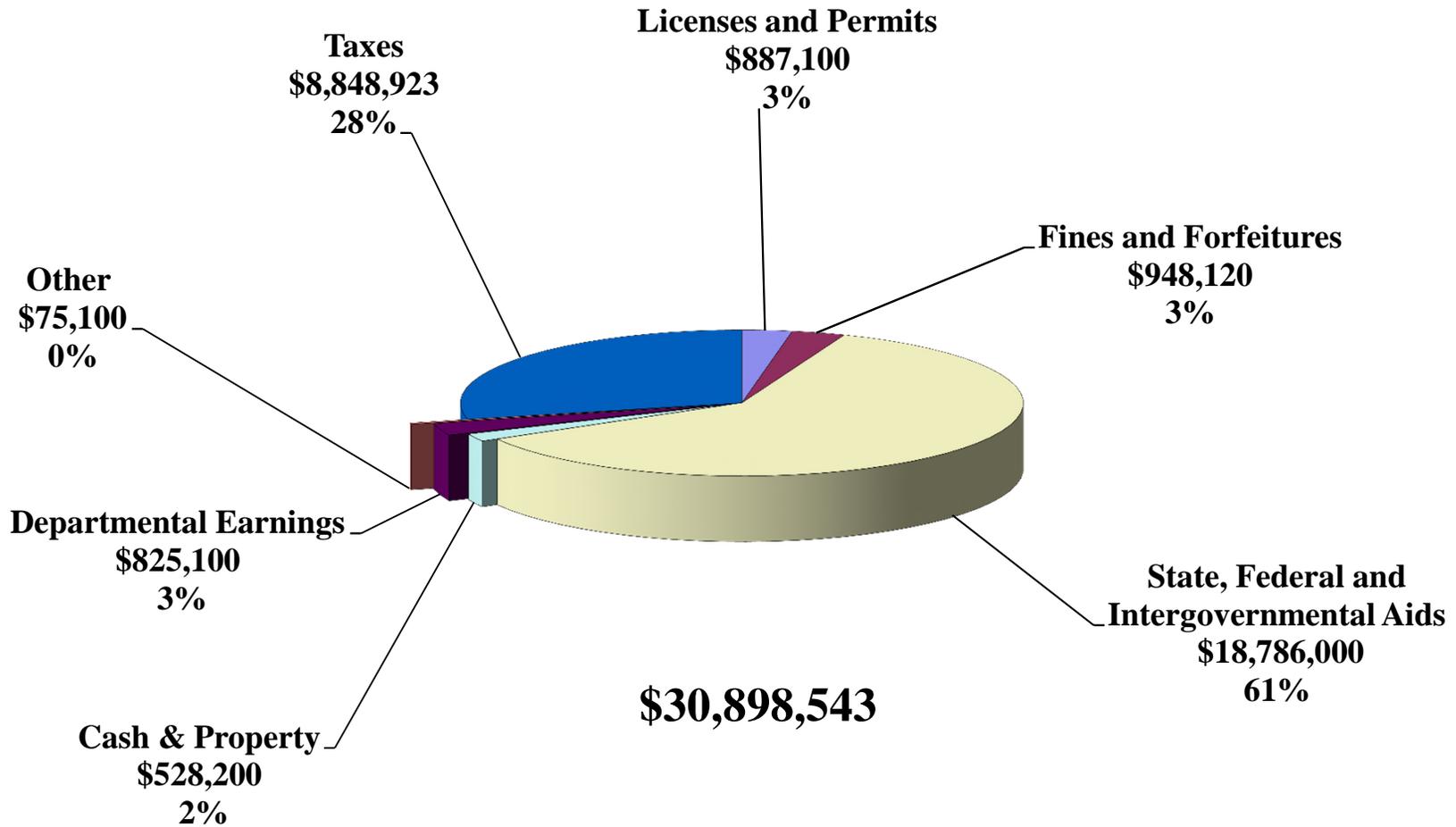
Budget Highlights

- Shared Revenue and Expenditure Restraint remained flat while highway aids are projected to decrease by \$120,000.
- Net New Construction increased to 2.31% from 1.13%. This represents the second highest percentage in Rock County.
- Assessed and Equalized Values have increased 2.19% and 2.29% respectively.
- The property tax levy increased by \$317,000 or 2.19%, \$81,000 is attributed to increased debt service.
- The City will retain 15% of Hotel/Motel Tax receipts, up from 10%.
- The Wastewater utility is proposing a modest cost of living increases of 3% for both commercial and residential customers.
- The Water Utility has conducted a comprehensive rate study and filed an application with the PSC to raise water rates by 15% for 2017 in order to maintain vital infrastructure used to provide clean and safe water to users.
- The Blender Café will be constructed this winter and open for business early 2017.

2017 Proposed General Fund Budget (Revenues)

	2015 ACTUAL	2016 BUDGET	2017 PROPOSED	CHANGE	PERCENT CHANGE
REVENUE:					
TAXES	(\$8,383,928)	(\$8,548,000)	(\$8,848,923)	(\$300,923)	3.52%
LICENSES & PERMITS	(\$894,788)	(\$853,865)	(\$887,100)	(\$33,235)	3.89%
FINES & FORFEITURES	(\$942,361)	(\$1,078,200)	(\$948,120)	\$130,080	-12.06%
INTERGOVT AIDS/GRANT	(\$19,074,798)	(\$18,916,890)	(\$18,786,000)	\$130,890	-0.69%
CASH & PROPERTY INC.	(\$84,391)	(\$315,200)	(\$528,200)	(\$213,000)	67.58%
DEPARTMENTAL EARNINGS	(\$821,700)	(\$759,171)	(\$825,100)	(\$65,929)	8.68%
OTHER REVENUES	(\$34,410)	(\$75,100)	(\$75,100)	\$0	0.00%
OTHER FINANCING	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	0.00%
TOTAL	(\$30,236,375)	(\$30,546,426)	(\$30,898,543)	(\$352,117)	1.15%

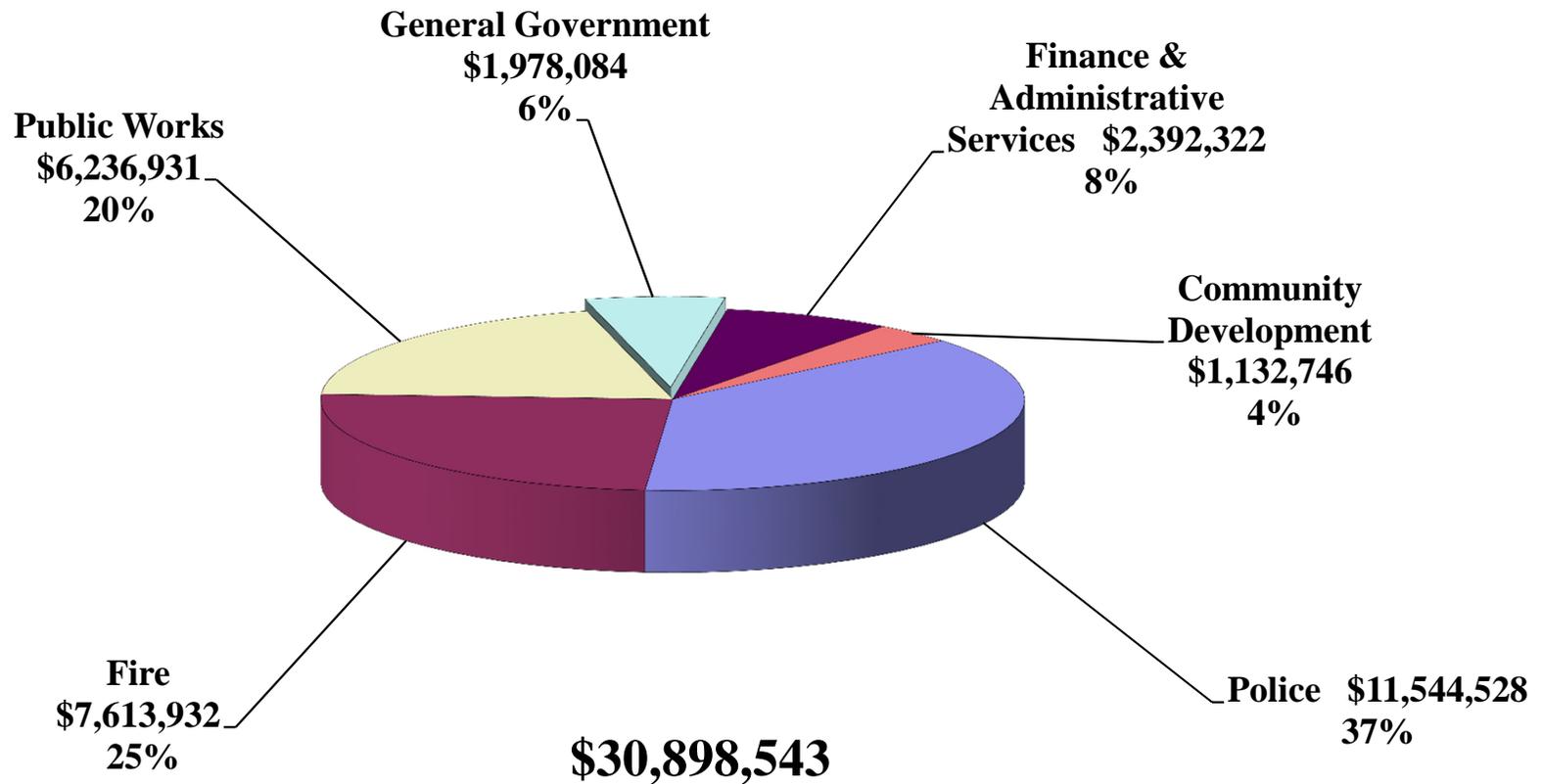
2017 Proposed General Fund Budget (Revenues)



2017 Proposed General Fund Budget (Expenditures)

	2015 ACTUAL	2016 BUDGET	2017 PROPOSED	CHANGE	PERCENT CHANGE
EXPENDITURES:					
CITY COUNCIL	\$49,494	\$49,342	\$49,341	(\$1)	0.00%
CITY MANAGER	\$390,403	\$299,488	\$293,833	(\$5,655)	-1.89%
CITY ATTORNEY	\$423,364	\$401,468	\$575,770	\$174,302	43.42%
INFORMATION TECHNOLOGY	\$471,556	\$622,298	\$653,610	\$31,312	5.03%
HUMAN RESOURCES	\$207,092	\$232,488	\$141,912	(\$90,576)	-38.96%
ECONOMIC DEVELOPMENT	\$256,426	\$258,820	\$263,618	\$4,798	1.85%
FINANCE & ADMINISTRATIVE SERVICES	\$1,921,946	\$2,103,837	\$2,392,322	\$288,485	13.71%
POLICE DEPARTMENT	\$11,977,666	\$11,538,004	\$11,544,528	\$6,524	0.06%
FIRE DEPARTMENT	\$7,524,480	\$7,510,927	\$7,613,932	\$103,005	1.37%
COMMUNITY DEVELOPMENT	\$1,204,713	\$1,173,022	\$1,132,746	(\$40,276)	-3.43%
PUBLIC WORKS	<u>\$6,154,006</u>	<u>\$6,356,732</u>	<u>\$6,236,931</u>	<u>(\$119,801)</u>	-1.88%
TOTAL	\$30,581,147	\$30,546,426	\$30,898,543	\$352,117	1.15%

2017 Proposed General Fund Budget (Expenditures)



2017 Proposed Special Revenue Funds

Special Revenue Funds are comprised of Tax Increment Districts (TID's), Grant Funds, the Library, and the Solid Waste / Recycling Fund.

	2015	2016	2017		
	ACTUAL	BUDGET	PROPOSED	CHANGE	PERCENT CHANGE
SPECIAL REVENUE FUNDS	\$14,236,458	\$14,807,686	\$16,309,872	\$1,502,186	10.14%

- Increment is projected to increased by \$820,000.
- The Library will be constructing and opening The Blender Café.
- The Solid Waste / Recycling program budgets decreased by \$42,000.

2017 Proposed Enterprise Funds

Enterprise Funds are comprised of the Golf Course, Cemetery, Transit, Wastewater, Water, Stormwater, and Ambulance Funds.

	2015	2016	2017		
	ACTUAL	BUDGET	PROPOSED	CHANGE	PERCENT CHANGE
ENTERPRISE FUNDS	\$20,098,510	\$18,215,343	\$18,521,829	\$306,486	1.68%

- The Golf Course budget is showing no change from 2016.
- There is a modest cost of living increase of 3% for commercial and residential Wastewater customers.
- There is a proposed 15% rate increase in user fees for the Water utility. An average residential user will see an increase between \$2.39 - \$5.20 per month depending on usage. The last time water fees have increased was in 2010.
- The Ambulance Fund increased by 3%, needed \$100,000 of fund balance for 2017.

2017 Proposed Internal Service Funds

Internal Service Funds are comprised of the Municipal Insurance, Health and Dental Insurance, and Fleet Maintenance Funds.

	2015	2016	2017		
	ACTUAL	BUDGET	PROPOSED	CHANGE	PERCENT CHANGE
INTERNAL SERVICE FUNDS	\$12,096,023	\$11,679,721	\$11,762,985	\$83,264	0.71%

- The Health and Dental Insurance Fund, which includes both active and retired employees, still has a negative fund balance but has decreased each of the last three years due to TPA and plan design changes.
- Aside from minor dental plan changes, there were no plan design changes proposed for 2017.
- Plans for employee premium share will be discussed for 2018.

2017 Proposed Debt Service Fund

Debt Service Funds are designed to pay all principal and interest due on General Obligation Notes, Bonds, State Trust Fund Loans.

	2015	2016	2017		
	ACTUAL	BUDGET	PROPOSED	CHANGE	PERCENT CHANGE
DEBT SERVICE FUND	\$6,272,785	\$6,339,239	\$6,685,085	\$345,846	5.46%

- Debt service is exempt from the state imposed levy limits.
- The debt service portion of the tax levy increased by \$81,000.

2017 Proposed Capital Funds

Capital Funds are comprised of the Capital Improvement, CIP Engineering, Equipment Replacement, and Computer Replacement Funds.

	2015	2016	2017		
	ACTUAL	BUDGET	PROPOSED	CHANGE	PERCENT CHANGE
CAPITAL FUNDS	\$5,913,883	\$14,840,629	\$11,823,693	(\$3,016,936)	-20.33%

- The Capital Improvement budget decreased by \$3,100,000.
- The Capital Improvement plan includes \$5,000,000 of General Obligation debt, \$2,700,000 of fund balance (TID's), and \$1,400,000 of improvements funded through the operating budgets (utilities).
- The Equipment Replacement Fund used to replace vehicles decreased by \$162,000.

Proposed Municipal Tax Levy

2016 Payable 2017

Municipal Tax Levy - All Funds

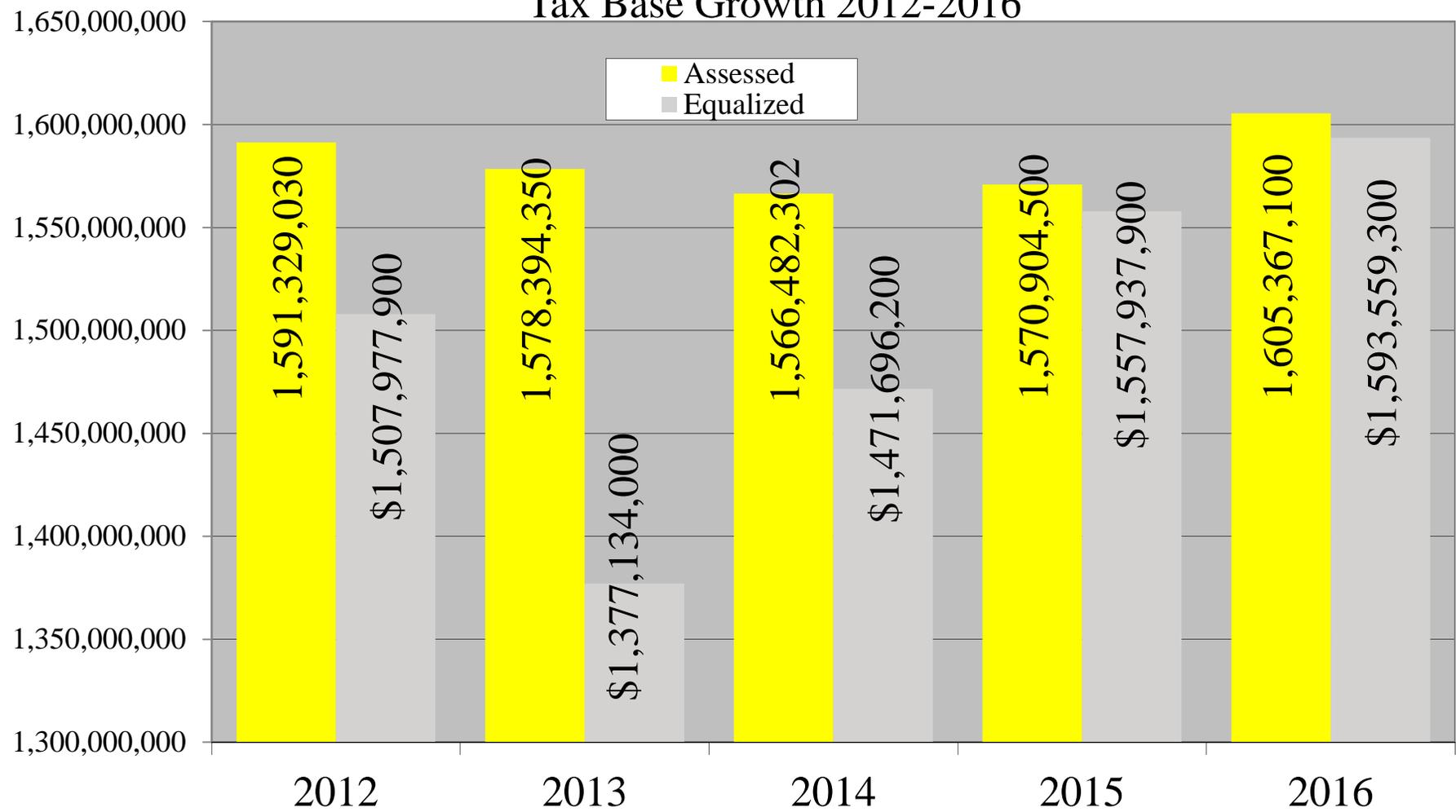
	2015/2016 <u>Adopted</u>	2016/2017 <u>Proposed</u>	<u>\$ Change</u>	<u>% Change</u>
General Fund Levy	\$7,069,000	\$7,304,923	\$235,923	3.34%
Debt Service Levy	4,769,154	4,850,000	80,846	1.70%
Mass Transit Levy	584,719	584,719	0	0.00%
Public Library Levy	1,780,877	1,780,877	0	0.00%
Police Grant-OJAI Beat Patrol	40,000	40,000	0	0.00%
Police Grant-School Resources	90,000	90,000	0	0.00%
Engineering Grant-MPO	26,000	26,000	0	0.00%
Golf Course	50,000	50,000	0	0.00%
Cemetery	<u>28,114</u>	<u>28,114</u>	<u>0</u>	0.00%
Total Property Tax Levy	\$14,437,864	\$14,754,633	\$316,769	2.19%
Assessed Value	\$1,570,904,700	\$1,605,367,100	\$34,462,400	2.19%
Tax Rate WO/TIF	\$9.191	\$9.191	\$0.000	0.00%
Tax Rate W/TIF	\$10.957	\$11.130	\$0.174	1.59%

**City of Beloit
Property Tax Rates
2012-2016**





City of Beloit Tax Base Growth 2012-2016



Next Steps

- Proposed Council Workshop on 10/10/16 beginning at 8:00 a.m. at the Beloit Library – Community Room.
- Public Hearing on 10/17/16 at 7:00 p.m. in the City Hall forum.
- More workshops if necessary.
- On Agenda for Council Consideration to Adopt on 11/7/16 at 7:00 p.m. in the City Hall forum.

Comments & Discussion



Questions,
Comments
And
Discussion