

Citizen Budget Partners

September 17, 2014

Robert Miller, Mayor

Kevin Lahner, City Administrator

Steve DeQuaker, City Treasurer/Budget Officer





Review

- **City Budget**
 - Comprised of various funds
 - Tax Supported funds or General Fund
 - Funds are supported by General Tax levy
 - Administration; Legislative; Public Safety; Public Works; Culture, Recreation & Education; Planning & Development
 - Funds are supported by Licenses, Permits and Service Charges
 - Inspection Fees, Operator's Licenses; Other City Services
 - Funds are supported by State Shared Revenues
 - Shared Revenue, Exempt Computer Aid, General Transportation Aids, Connecting Highway Aid, Expenditure Restraint.
 - Fee Based Funds or Enterprise Funds.
 - Funds are supported by User Fees
 - Water, Sewer, Airport
 - Fund Balance
 - This is a measure of funds left over after a budget year is complete. Typically the amount should be 3-6 months of expenditures for an emergency.
 - Current and generally accepted practice is to maintain a 25% fund balance, or 25% of total General Fund Expenditures as a cash reserve.
 - 2015 Budgeted Fund Balance is currently at 23.3% or \$1,684,382.



Review

- City Budget
 - Library
 - Treated as a department, but supported by a contribution from the City only. Library Board is responsible for day to day operations.
 - 2015 Budgeted Contribution is \$405,000
 - Additional Funding is through County Revenues
 - TIF (TID)
 - Tax Increment Financing District (TIF District) or Tax Increment District (TID).
 - TIF is the financing vehicle
 - TID is the actual district boundry
 - TIF and TID Are often used interchangeably
 - City has 2 TIF Districts: TIF 3 and Environmental TIF District 1 (ER-TIF 1)
 - Funding is through the general tax levy. Funds are paid in full by the full tax rate, less the original tax rate before the district was created. Fuinds are set aside in for infrastructure improvements.



Review

- City Budget

- Debt – General Fund

- City is a AA- rated Municipality which can generate favorable tax rates when selling Debt (called Bonds)
- City can sell Tax Exempt or Taxable Bonds for debt
- Debt is paid back through Debt Service or simply a fund set up to pay the debt.
- Principal and Interest payments are typically made twice per year.
- Debt can be for as long as a one year to 30 years. Typically 10 to 20 years is normal.
- Amount of General Fund Debt the City can have is limited to 5% of the City's Total Equalized value.
- 2013 Equalized Value was \$817,681,400. Amount of debt allowed at 5% equals \$40,884,070 (called margin of indebtedness)
- 2013 Outstanding General Obligation Debt was \$21,380,000, leaving \$19,504,070 in additional debt available to the City



Review

- City Budget
 - Special Revenue, Non-Major Revenue & Internal Service Funds
 - These funds are supported by contributions from the general fund, revenues from other sources, donations or fees.
 - City has several special revenue funds, non-major revenue funds and two internal service funds.
 - Special Revenue Funds would contain Library, Historical Society, Health Department, Senior Citizens and Dog Pound
 - Non Major Funds include Park Development, Façade Grants and others and are funds that are set up for a specific project or task.
 - Internal Service Funds include Self Insurance Fund and Equipment Replacement Fund which are more specific in purpose than a non-major fund.



Review

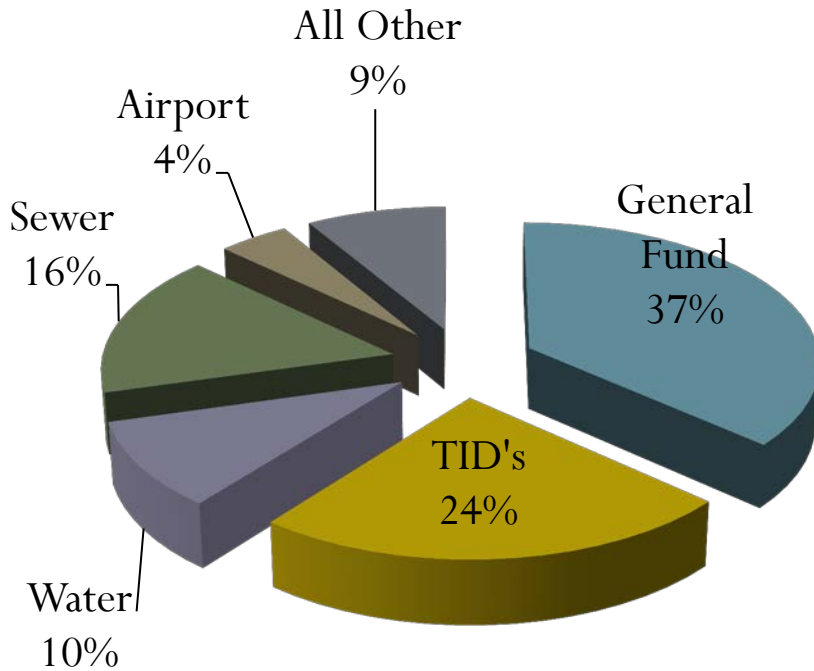
- City Budget
 - Enterprise Funds
 - Funds that are supported by user fees. The General Fund can also loan money to the Enterprise Funds.
 - The City has three Enterprise funds
 - Water Utility
 - Sewer Utility
 - Municipal Airport
 - These funds are accounted for by a traditional business accounting model of debits, credits, assets and liabilities.
 - Debt for these funds are generally issued through loans or bonds. The City can also use it's AA- rating to get better rates on bonds.
 - Loans are typically handled by Clean Water Fund or Safe Drinking Water Fund loans made available by the State and by the Fed.

Review

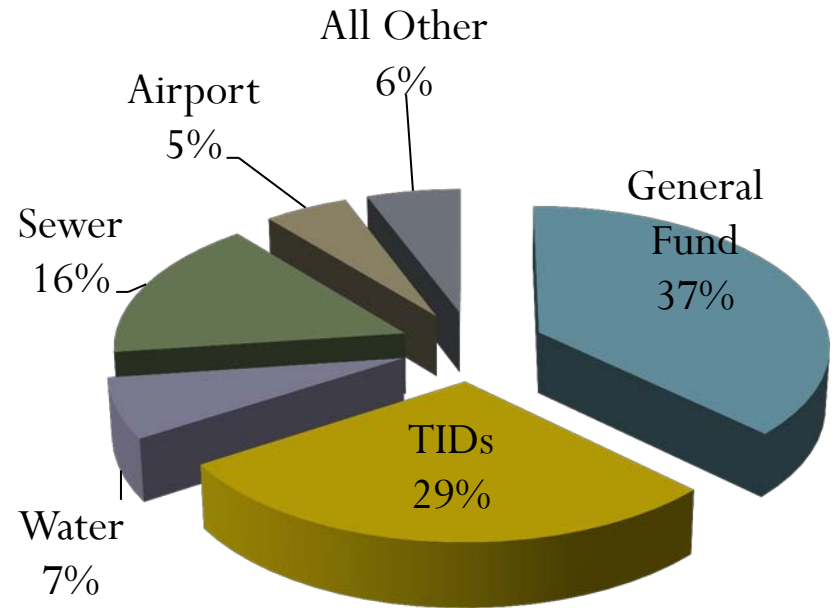


- City Budget Overall Revenues & Expenditures Projected 2015

Revenue: \$20,841 600



Expenditures: \$19,436,434



Review

- City Budget
 - Questions

- Policy Review Exercise





Overview-Citizen Budget Partners

- 4th Year of the Citizen Budget Partners
- 13 members this year – highest ever.
- Lowest turnout was on the last meeting day for Policy Discussion where only 10 members showed up.
- 2 Meetings had 12 members and 1 meeting had 13 members.
- Mayor, City Administrator and Treasurer led discussions



Overview-Citizen Budget Partners

- Member list for 2014 CBP:

John Lynch

Christina Voss

Bill Smitz

Bil Scherrer

Chad Terhorst

Peter Turke

Tom Wiemer

Shad Brannen

DeDe Obuch

Barb Kopack-Hill

MT Boyle

Bob Grandi

Todd Harris



Overview-Citizen Budget Partners

DISCUSSIONS

Focus on the discussions was more about presentation of how the City budget process works including definitions of funds and various acronyms used.

Departmental presentations highlighted key budget items but also spent quite a bit of time discussing the departments, their goals and accomplishments and to put faces with names.



Overview-Citizen Budget Partners

POLICY DISCUSSION

The final day was a presentation of policies/items facing the city in the 2015 budget and in the future. Items were described, explained and the pro's and con's of each were discussed.

At the end of the day, Budget Partners were given 10 stickers to place on each policy they felt important to them. Up to three stickers for most important item, then 1 sticker for other items of importance.

The following are the results of the voting.



Overview-Citizen Budget Partners

Policy Discussion –Top Votes

- Votes: 14
The City should expand its trail system to create more connectivity between community assets.
- Votes: 13
The City should commit to upgrading the City Pool to larger facility through funding a design firm to explore possible rehabilitation/expansion opportunities and holding a referendum to determine the community's wishes regarding this project.
- Votes: 13
The City should continue its current road reconstruction and maintenance program. Dollars should be set aside in the budget annually for road improvements like slag sealing and crack filing to assist in keeping the roads at optimum performance levels.



Overview-Citizen Budget Partners

Policy Discussion 11-9 votes

- Votes: 11
The City should conduct a needs assessment of the Library and begin planning for a renovation and/or reconstruction of the current library building.
- Votes: 9
The City should develop a comprehensive tourism strategy with the assistance of Real Racine to attract new visitors to our community to support local businesses.
- Votes: 9
The City should invest in new technology to improve its efficiency and effectiveness in the areas of budget management, accounts payable, licensing and other important administrative functions.



Overview-Citizen Budget Partners

Policy Discussion -8 Votes

- Votes: 8
The City should work with Racine County to construct a multi-purpose government center, combining current city facilities and county facilities in order to better serve our constituents and replace aging structures.
- Votes: 8
As part of the 2015 budget the City should continue funding the Downtown Façade Grant program.

Votes: 8

Yearly simple rate increases (~3%) should continue in the sewer and water departments in order to keep pace with inflation and rising material costs.



Overview-Citizen Budget Partners

Policy Discussion-5 or less votes

- Votes: 5

The City should move trash and recycling to the tax bill as a direct pay by residents rather than through the general levy.

- Votes: 1

The City should add seasonal staff to improve the condition of the City's park system, especially during times of high use.

- Votes: 1

The City should hold Town Hall type information sessions for the residents.



Overview-Citizen Budget Partners

Policy Discussion-Wild Card

- Wild Card is an opportunity for the CBP to share some of there important issues
- WILD CARD
 - Fund private enterprise at trail head
 - Comprehensive review of Code to enhance development in downtown