



Office of the Finance Director/Treasurer

To: Milton Common Council
Anissa Welch, City Mayor
From: Dan Nelson, Finance Director/Treasurer
Date: October 10, 2016
Subject: Budget document explanation

Discussion

There are several documents that are attached and the hope of this summary is to explain what each page is communicating:

Budget History Original & amended 2016 budgets and requested 2017 budget (pg. 1-2)

This shows the original 2016 budget as approved in December 2015. The amended budget includes all budget amendments that have been made (includes mainly the Fire Department adjustments). The requested budget indicates the requests for 2017 which includes the list of items on the attached document titled "2017 increases/decreases to explain levy increase."

Capital requests (pg. 3)

This document outlines which capital requests were included in the preliminary 2016 budget request and those that were excluded. The items on all the lists can be modified.

2017 Increases/decreases to explain levy increase (pg. 4)

This provides guidance as to what items are causing a change when compared to the original 2016 budget. This covers all the major items and are broken out into 5 categories: Revenues, Required Increases, Operational Changes, Non-Profit Requests, Employee Relations, and Library Allocation. Staff has also indicated cuts or new revenues that have been included in the 2017 request in order to lower the required tax levy.

Preliminary Tax Rate impact of 2017 Budget (pg. 5)

This discusses the ESTIMATED increases in the City's equalized and assessed values and the impact this could have on the tax (mill) rate. The final values for these will not be available until mid-November. This will provide the Council with the guidance they will want when shaping the affordability of City services and obligations.

Actual and Budget History (pg. 6-7)

This is very similar to the "Budget History Original & amended 2016 budgets and requested 2017 budget" but includes historical actual amounts from 2013 – August 2016.

City of Milton
Budget History - Original & amended 2016 budgets
and requested 2017 budget

	Original Budget 2016	Amended Budget 2016	Requested Budget 2017	\$ Change from Original 2016 Budget	Change
Revenue					
Property tax collections	3,140,725	3,140,725	3,113,825	(26,900)	-0.86%
Other taxes	-	-	-		#DIV/0!
Tax equivelant	175,000	175,000	190,000	15,000	8.57%
Special assessments	-	-	-	-	#DIV/0!
Intergovernmental revenue	1,049,700	1,049,700	1,067,346	17,646	1.68%
Licenses and permits	112,300	112,300	112,500	200	0.18%
Fines, Forfeits and penalties	56,000	56,000	56,000	-	0.00%
Public charges for service	19,800	19,800	20,300	500	2.53%
Intergovernmental charges	74,084	74,084	110,104	36,020	48.62%
Interest Income	15,274	15,274	19,474	4,200	27.50%
Rental Income	5,000	5,000	5,600	600	12.00%
Miscellaneous revenue	14,150	17,150	13,000	(1,150)	-8.13%
Transfer in	12,500	12,500	-	(12,500)	-100.00%
	4,674,533	4,677,533	4,708,149	33,616	0.72%
General Government					
Mayor/Council	18,320	18,320	18,320	-	0.00%
Municipal Court	72,758	72,758	76,660	3,902	5.36%
Legal	57,500	72,500	64,700	7,200	12.52%
Municipal Building	26,800	26,800	26,800	-	0.00%
City Hall	349,031	350,031	353,866	4,835	1.39%
Elections	10,500	10,500	6,000	(4,500)	-42.86%
Assessor	28,500	28,500	57,500	29,000	101.75%
Insurance	91,000	91,000	91,000	-	0.00%
City office expenses	28,950	27,950	28,950	-	0.00%
Recinded taxes/writeoffs	-	41,440	-	-	#DIV/0!
Retiree/OPEB	40,650	155,184	33,000	(7,650)	-18.82%
Information technology	40,000	40,000	38,200	(1,800)	-4.50%
Flex spending administration	1,500	1,500	1,500	-	0.00%
Miscellaneous	-	-	-	-	#DIV/0!
Contingency	100,000	48,583	85,289	(14,711)	-14.71%
	865,509	985,066	881,785	16,276	1.88%
Public Safety					
Law Enforcement	1,099,049	1,099,049	1,145,674	46,625	4.24%
Crossing Guards	18,300	16,577	14,802	(3,498)	-19.11%
Code Enforcement	30,935	30,935	31,483	548	1.77%
Fire Protection	293,251	293,251	328,511	35,260	12.02%
Ambulance	-	-	-	-	#DIV/0!
	1,441,535	1,439,812	1,520,470	78,935	5.48%

City of Milton
 Budget History - Original & amended 2016 budgets
 and requested 2017 budget

	Original Budget 2016	Amended Budget 2016	Requested Budget 2017	\$ Change from Original 2016 Budget	Change
DPW					
Inspection	22,350	22,350	22,551	201	0.90%
Mass Transit	-	-	-	-	#DIV/0!
DPW Administration	71,394	49,394	73,436	2,042	2.86%
Engineering	2,500	2,500	2,500	-	0.00%
City Garage	48,050	48,050	45,550	(2,500)	-5.20%
Public Safety Building/Vehicles	11,882	11,882	12,030	148	1.25%
Community House	5,070	5,070	5,070	-	0.00%
Shaw Building	-	-	-	-	#DIV/0!
Street Maintenance	430,366	448,366	401,583	(28,783)	-6.69%
Snow and Ice Removal	71,700	71,700	70,700	(1,000)	-1.39%
Traffic Signs	24,300	24,300	24,300	-	0.00%
Street Lights	75,600	75,600	75,600	-	0.00%
Sidewalks	-	-	-	-	#DIV/0!
Weed & Nuisance Control	-	-	-	-	#DIV/0!
Recycling	7,300	7,300	6,500	(800)	-10.96%
	770,512	766,512	739,820	(30,692)	-3.98%
Health & Human Services					
Animal & Insect Control	-	-	-	-	#DIV/0!
Code Enforcement	-	-	-	-	#DIV/0!
Cemetery	6,025	6,025	6,025	-	0.00%
	6,025	6,025	6,025	-	0.00%
Culture, Recreation, & Education					
Donations	23,500	23,500	25,500	2,000	8.51%
Parks	224,877	228,877	229,198	4,321	1.92%
Recreation	12,077	12,077	12,077	-	0.00%
Celebrations	4,850	7,850	4,850	-	0.00%
Historic preservation allocation	2,540	4,040	2,540	-	0.00%
Planning	5,100	5,100	5,100	-	0.00%
Economic Development	7,000	7,000	6,747	(253)	-3.61%
	279,944	288,444	286,012	6,068	2.17%
Expenditures before transfers	3,363,525	3,485,859	3,434,112	70,587	2.10%
Transfers					
Debt Service	893,000	893,000	857,000	(36,000)	-4.03%
Other funds	-	-	-	-	#DIV/0!
Capital	105,500	105,500	113,500	8,000	7.58%
Capital lease payment	66,304	66,304	38,700	(27,604)	-41.63%
Library Fund	246,204	246,204	264,837	18,633	7.57%
	1,311,008	1,311,008	1,274,037	(36,971)	-2.82%
Total general fund expenditures	4,674,533	4,796,867	4,708,149	33,616	0.72%

City of Milton Capital Items for 2017 budget

Capital requests included in Budget

Remaining amount for squad car	29,500
Tree replacement	8,000
One ton dump truck	55,000
Upgraded used bucket truck	36,000
Use of 2016 funds	(21,000)
Barricade Trailer	6,000
	<hr/>
	113,500

Taken out of Budget

Furnance replacement on PD side	15,000
New Squad car	40,000
5 year lease on Plow Truck	32,000
Bucket Truck	60,000
Tool Cat	30,000
1/2 of Pickup truck with front plow & salter	21,000
Brush Chipper	35,000
Equipment Trailer	14,000
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	247,000

**City of Milton
General Fund
Explanation of Tax levy changes from 2016 budget**

Revenues

Property taxes	(26,900)
PILOT from water utility	15,000
Shared revenues	(1,789)
Expenditure Restraint payment (State Aid)	19,435
TID administration charges	36,104
Investment income	4,200
Transfer from sidewalk fund	(12,500)
Other	66
	<u>33,616</u>

Expenses

Required increases/(decreases)

Increase in WRS rates	12,724
Legal services & Legal contingency	7,200
Assesor services (estimated)	29,000
Step increases for PD union staff	1,602
Debt service	(36,000)
Payback to sewer fund for capital leases	(27,604)
	<u>(13,078)</u>

Operational changes

Library allocation	18,633
Police overtime	15,000
Part-time police officers	(9,517)
Elections	(4,500)
Fire Department allocation	35,260
Contingency	(14,711)
Roadway supplies (asphalt, etc.)	(29,050)
Retiree health insurance	(7,650)
City Hall training/conferences	(2,500)
Capital budget increase	8,000
Other	5,776
	<u>14,741</u>

Non-profit requests - Increases/(Decreases)

MACC direct contribution	(253)
Milton College	-
YMCA	-
Milton Youth Coalition	-
Historical Society	-
Gathering Place	2,000
	<u>1,747</u>

Employee Relations

1% wage adjustment for all employees	17,919
Increase in City portion of health insurance	4,941
Add'l 3% wage adjustment for lieutenants	4,870
Wage adjustment for municipal judge	2,476
	<u>30,206</u>

TOTAL INCREASE IN EXPENDITURES 33,616

Library Allocation

Wage & benefit adjustment due to Federal law change	10,307
Changes in insurance plans	4,800
Other labor (WRS, 1%, insurance, etc)	4,646
More time to clean building	10,140
Computer services	4,350
Budget year 2016 use of fund balance	7,950
Building expenses (utilities, maint)	(12,300)
Use of Library fund balance	(10,000)
County aid	<u>(1,260)</u>
	18,633

Expenditure Restraint

Current expenditures	3,851,149
Estimated Target	<u>3,838,256</u>
Over/ (Under) Target	12,893



Office of the Finance Director/Treasurer

To: Milton Common Council
Anissa Welch, City Mayor
From: Dan Nelson, Finance Director/Treasurer
Date: October 10, 2016
Subject: Preliminary Tax Rate impact of 2017 Budget

Discussion

The tax rates and assessed values that are discussed below are estimates. Final numbers from the State of Wisconsin won't be available until November.

City of Milton's Equalized Value and Other Taxing Jurisdiction's Tax Levies

The City's equalized value decreased by \$20 million in 2016 compared to 2015. What this results in, is a decrease in the City's portion of the levy allocation being applied to the School District, Technical College and County.

Estimated City Tax (Mill) Rate

Based on the requested budget, the tax levy would need to be \$3,143,084. The City's estimated assessed value is \$307,479,300 (\$20 million decrease from last year's (2015) value). This results in a City tax rate of \$10.13 compared to last year's City tax rate of \$9.54 despite levying less in 2017 than in 2016.

This decrease is largely a result of an overstatement of value in 2016:

- Budget 2016's tax base was overstated
- Budget 2017's tax base is artificially understated by DOR
- Budget 2018's tax base should be corrected

	<u>Actual 2016</u>	<u>ESTIMATED 2017</u>	<u>ESTIMATED Change</u>	<u>ESTIMATED % Increase</u>
Assessed Value	\$ 333,766,936	\$ 307,479,300	\$(26,287,636)	(7.87)%
Tax Rate / \$1,000 Property Value	\$ 9.54	\$10.13	\$ 0.59	6.18%
Impact on \$100,000 Assessed Value	\$ 954.00	\$1,013.00	\$59.00	6.18%

City of Milton
Revenue and Expenses 2013 - Requested 2017 Budget

	Actual 2013	Actual 2014	Actual 2015	Actual thru Sep-30-16	Original Budget 2016	Amended Budget 2016	Requested Budget 2017	\$ Change from Original 2016 Budget
Revenue								
Property tax collections	2,472,181	2,528,686	2,728,535	3,140,727	3,140,725	3,140,725	3,113,825	(26,900)
Other taxes	-	-	-	-	-	-	-	-
Tax equalant	186,895	174,638	194,377	-	175,000	175,000	190,000	15,000
Special assessments	3,500	-	-	-	-	-	-	-
Intergovernmental revenue	1,135,428	1,097,153	1,087,199	477,520	1,049,700	1,049,700	1,067,346	17,646
Licenses and permits	123,168	121,013	132,393	72,019	112,300	112,300	112,500	200
Fines, Forfeits and penalties	54,683	54,743	55,882	38,436	56,000	56,000	56,000	-
Public charges for service	47,345	31,128	8,076	22,737	19,800	19,800	20,300	500
Intergovernmental charges	61,028	70,427	47,320	40,547	74,084	74,084	110,104	36,020
Interest Income	27,591	17,611	14,202	23,936	15,274	15,274	19,474	4,200
Rental Income	5,230	13,498	5,588	5,740	5,000	5,000	5,600	600
Miscellaneous revenue	17,858	21,460	64,447	16,644	14,150	17,150	13,000	(1,150)
Transfer in	519,013	15,000	7,500	-	12,500	12,500	-	(12,500)
	4,653,920	4,145,357	4,345,519	3,838,306	4,674,533	4,677,533	4,708,149	33,616
General Government								
Mayor/Council	13,228	14,920	17,910	10,765	18,320	18,320	18,320	-
Municipal Court	65,877	65,404	66,428	45,467	72,758	72,758	76,660	3,902
Legal	51,664	57,968	61,232	39,262	57,500	72,500	64,700	7,200
Municipal Building	-	26,707	23,878	19,478	26,800	26,800	26,800	-
City Hall	329,887	298,932	344,961	269,375	349,031	350,031	353,866	4,835
Elections	2,741	15,587	4,140	7,349	10,500	10,500	6,000	(4,500)
Assessor	28,580	28,406	30,479	22,100	28,500	28,500	57,500	29,000
Insurance	74,535	62,658	66,160	99,023	91,000	91,000	91,000	-
City office expenses	19,989	28,978	25,692	16,807	28,950	27,950	28,950	-
Recinded taxes/writeoffs	8,178	67	12,611	41,413	-	41,440	-	-
Retiree/OPEB	28,077	21,413	16,681	135,545	40,650	155,184	33,000	(7,650)
Information technology	42,239	55,942	39,970	24,997	40,000	40,000	38,200	(1,800)
Flex spending administration	1,536	1,383	1,315	916	1,500	1,500	1,500	-
Miscellaneous	503	1,599	2,930	1	-	-	-	-
Contingency	24,126	7,649	-	-	100,000	48,583	85,289	(14,711)
	691,160	687,613	714,387	732,498	865,509	985,066	881,785	16,276
Public Safety								
Law Enforcement	1,088,240	986,451	1,007,935	741,768	1,099,049	1,099,049	1,145,674	46,625
Crossing Guards	-	10,158	12,268	5,328	18,300	16,577	14,802	(3,498)
Code Enforcement	24,307	16,547	27,851	20,544	30,935	30,935	31,483	548
Fire Protection	142,304	217,895	301,503	236,494	293,251	293,251	328,511	35,260
Ambulance	23,265	-	17,300	-	-	-	-	-
	1,278,116	1,231,051	1,366,857	1,004,134	1,441,535	1,439,812	1,520,470	78,935
DPW								
Inspection	12,181	12,174	17,748	13,406	22,350	22,350	22,551	201
Mass Transit	15,000	27,000	30,942	-	-	-	-	-
DPW Administration	181,412	156,600	154,272	116,525	71,394	49,394	73,436	2,042
Engineering	9,059	(347)	(53)	140	2,500	2,500	2,500	-
City Garage	133,475	66,643	35,143	19,850	48,050	48,050	45,550	(2,500)
Public Safety Building/Vehicles	8,307	20,370	42,463	8,665	11,882	11,882	12,030	148
Community House	5,999	6,046	3,767	2,782	5,070	5,070	5,070	-
Shaw Building	31,652	52,279	-	-	-	-	-	-
Street Maintenance	133,311	164,541	308,643	195,595	430,366	448,366	401,583	(28,783)
Snow and Ice Removal	153,542	143,825	56,228	41,387	71,700	71,700	70,700	(1,000)
Traffic Signs	25,940	30,045	17,702	3,147	24,300	24,300	24,300	-
Street Lights	58,935	72,132	70,670	44,032	75,600	75,600	75,600	-
Sidewalks	3,131	1,220	-	-	-	-	-	-
Weed & Nuisance Control	3	-	-	-	-	-	-	-
Recycling	37,450	44,049	3,246	4,439	7,300	7,300	6,500	(800)
	809,397	796,577	740,771	449,968	770,512	766,512	739,820	(30,692)
Health & Human Services								
Animal & Insect Control	3,000	-	-	-	-	-	-	-
Code Enforcement	3,179	5,094	850	-	-	-	-	-
Cemetery	16,536	21,185	3,530	2,029	6,025	6,025	6,025	-
	22,715	26,279	4,380	2,029	6,025	6,025	6,025	-

City of Milton
Revenue and Expenses 2013 - Requested 2017 Budget

	Actual 2013	Actual 2014	Actual 2015	Actual thru Sep-30-16	Original Budget 2016	Amended Budget 2016	Requested Budget 2017	\$ Change from Original 2016 Budget
Culture, Recreation, & Education								
Donations	23,300	23,000	28,000	13,000	23,500	23,500	25,500	2,000
Parks	122,824	159,471	218,754	179,789	224,877	228,877	229,198	4,321
Recreation	18,515	18,253	18,695	10,497	12,077	12,077	12,077	-
Celebrations	10,647	16,092	3,446	973	4,850	7,850	4,850	-
Historic preservation allocation	18,665	20,669	15,535	4,063	2,540	4,040	2,540	-
Planning	16,413	11,825	33,515	1,826	5,100	5,100	5,100	-
Economic Development	9,574	50,128	6,475	2,651	7,000	7,000	6,747	(253)
	219,938	299,438	324,420	212,799	279,944	288,444	286,012	6,068
Expenditures before transfers	3,021,326	3,040,958	3,150,815	2,401,428	3,363,525	3,485,859	3,434,112	70,587
Transfers								
Debt Service	1,206,230	737,598	742,497	893,000	893,000	893,000	857,000	(36,000)
Other funds	5,000	-	-	-	-	-	-	-
Capital	136,400	629,655	549,263	105,500	105,500	105,500	113,500	8,000
Capital lease payment	-	-	-	-	66,304	66,304	38,700	(27,604)
Library Fund	200,192	-	247,393	246,204	246,204	246,204	264,837	18,633
	1,547,822	1,367,253	1,539,153	1,244,704	1,311,008	1,311,008	1,274,037	(36,971)
Total general fund expenditures	4,569,148	4,408,211	4,689,968	3,646,132	4,674,533	4,796,867	4,708,149	33,616