



2021 Draft Budget Overview

MILTON CITY COUNCIL MEETING

NOVEMBER 4, 2020

2021 Draft Budget



2021 Highlights:

- The City of Milton will collect less taxes in 2021 than in 2020.
- Expenses only increase 1.15% (down from 1.56% in our previous presentation).
- \$27.6 million increase in equalized value in 2020
- Milton was the second fastest growing City in Rock County (2.152% net new construction).
- No new tax levy supported borrowing

2021 Draft Budget



	<u>2020</u> <u>Adopted</u>	<u>2021</u> <u>Draft</u>
General Fund Expenditures	\$ 5,087,906	\$5,146,219
Percent Increase Over Previous Year	2.73%	1.15%

2021 Draft Budget



What this all means....

The City's 2021 draft budget:

- Will “levy” to the max (\$3,401,523).
- As presented on October 20, 2020, the draft budget **DOES NOT** qualify for the State imposed levy limit cap.
- A reduction of \$7,899 is needed to meet the legal levy limit.

2021 Draft Budget



What will the impact be....

In the City's 2021 draft budget:

- Less taxes will be collected in 2021 than collected in 2020.
- Expenditures increase approximately 1.15% (down from 1.56% on our previous presentation).
- No reductions in service.
- No new levy supported borrowing.
- All employees receive the same compensation increase.
- Maintains capital and infrastructure funding levels.



2021 Fire Allocation

The Fire Commission chose to allocate 2021 contributions based on equalized value of all municipalities that are covered by department.

City's allocation:

- 37.94% of \$1,098,099 that was needed for the department
- Equates to \$416,581 (increase of \$24,989 or 6.38% from 2020 contribution)



2021 Fire Allocation

Contracted Townships are meeting at various times in October

- Determine if they'll continue to receive service from the Milton Fire Department
- If there are changes to the coverage area
 - Fire Commission would need to determine how to handle any potential funding shortfalls
 - Asked to provide signed contracts no later than November 16

2021 Budget Construction



2020 Budget TAX LEVY	\$ 3,411,097
Employee relations:	\$ 53,443
Non-property tax revenue increase:	\$ (59,988)
Operational expenditures:	<u>\$ 4,870</u>
PRELIMINARY 2021 Budget TAX LEVY	\$ 3,409,422

*****\$7,899 will still need to be reduced from the levy in order to qualify for levy limits**



Non-Profit 2021 Request

Per Council Policy #4, The Gathering Place and the Milton House both submitted budget requests by August 31, 2020. The chart below outlines the historical amounts that have been funded along with their 2021 requests. The proposed budget includes a \$10,000 to each entity. Non-profits will be presenting to the Common Council on November 4th.

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2021 Amt</u>
	<u>Funding</u>	<u>Funding</u>	<u>Funding</u>	<u>Funding</u>	<u>Funding</u>	<u>Request</u>	<u>in Budget</u>
Gathering Place	\$10,000	\$ 5,798	\$10,000	\$10,000	\$10,000	\$15,000	\$ 10,000
Milton House	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$20,000</u>	<u>\$ 10,000</u>
	\$20,000	\$15,798	\$20,000	\$20,000	\$20,000	\$35,000	\$ 20,000

The City of Milton also provides bi-weekly payroll processing for the Gathering Place in addition to the direct financial support. Over the years, the City has worked with the Milton House utilizing façade grants and other funding to help with building/property improvements.

Budget Unknowns



- The Fire Department allocation will not be finalized until we hear back from the contract Townships.



Budget Options

- The presented budget will need to be reduced by \$7,899
 - Budget reduction options*:
 - Capital allocation (streets, equipment, buildings, etc.)
 - Contingency
 - Other administrative operational expenses
 - Other

**It is important to note, that any reduction to any of the above items is likely a reduction into perpetuity.*

Draft Budget Takeaways



- The City of Milton will collect less taxes in 2021 than in 2020.
- Maintains current service levels.
- Compensates all employees with same increase.
 - No change in percentage paid on insurance premiums.
- Maintains capital and infrastructure funding levels.
- General fund expenditures increase by 1.15%.
- This budget qualifies for State expenditure restraint but not imposed levy limits at this point.
- This budget has no new tax levy supported borrowing component.
 - Currently 23.2¢ of every City Tax Dollar collected goes to debt service (once the levy reaches the state imposed limit).

Budget Schedule



Approve Budget <u>Publication</u>	Publish <u>Budget</u>	Public <u>Hearing</u>	Approve <u>Budget</u>
20-Oct	29-Oct	17-Nov	1-Dec