



# 2017 City of Port Washington Budget

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PRESENTATION TO THE CITY COUNCIL NOVEMBER 1, 2016

# 2016 Budget Schedule

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- DEPARTMENT BUDGET REVIEW WITH FINANCE COMMITTEE:
  - Tuesday, October 18<sup>th</sup>
- BUDGET PRESENTATION TO COUNCIL:
  - Tuesday, November 1<sup>st</sup> (today)
- PUBLIC HEARING:
  - Tuesday, November 15<sup>th</sup>, 7:30pm
- ADOPTION:
  - Tuesday, November 15<sup>th</sup> (Following Public Hearing)



# Budget Highlights

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- Minor Structural wage and benefit increases
    - Wages: 2.0% contingent on employee performance
  - Health Insurance:
    - 8% increase in health insurance premium
  - Street Department
    - Adding two people in the summer to help serve Union Cemetery
    - Dave Ewig's position is being split into two positions (street department and water utility)
    - More wages charged to Tree and Brush account due to planting more trees next year.
      - We did receive a grant from the DNR for more tree planting
  - Library increase is in response to the increased participation in youth programs. Additional staff is need to support increase.
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# Budget Highlights

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- Senior Center:
  - 6 months budgeted for rent in the current building
  - Buying the current building is under serious consideration to ensure the seniors have a building
    - CDBG grant is still on the table and will continue to be pursued
- \$75,000 left over from 2016 borrowing needs to be spent this year. Three items we will not have to push off until next year:
  - \$15,000 – Truck for Street Commissioner
  - \$42,000 – Gang mower for Park and Recreation
  - \$18,000 – Lighthouse Plan Development

# Budget Highlights

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- Marina

- 1% increase in fees will be the first increase in six years
- Marina did show a profit in 2016 (~\$32,000)
  - Has not shown a profit since 2013

- Debt Service

- Increase due to 2016 borrowing is about \$138,000
- Good news is some of this will be offset by:
  - New development
  - Special assessments on road projects
    - Especially the county selling the land at the intersection Highway 33 and LL. (assessment will come due for \$44,000)



# Debt Service

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By law, the city cannot borrow more than 5% of the equalized value of the city.

The city of Port Washington current value is \$931,484,300

- 5% of \$931,484,300 is \$46,574,215
- Currently we are at about \$29,424,700 or 63% of capacity

Our Aa3 bond rating is based on:

- Growth
  - Contingency fund
  - Borrowing capacity
  - Fiscally responsible policies
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# Capital Expenditure Highlights

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- Two New Police Vehicles: \$60,562
- Police Equipment: \$39,930
- Fire Department Hoses: \$5,000
- Senior Center Study: \$15,000
- Emerald Ash Borer: \$15,000
- Park & Recreation: \$12,000
- Voting Booths: \$4,000
  - TOTAL: \$151,492



| GENERAL FUND                   | 2016<br>Proposed   | 2017<br>Proposed   | % Change<br>Increase/<br>(Decrease) |
|--------------------------------|--------------------|--------------------|-------------------------------------|
| <b>REVENUES</b>                |                    |                    |                                     |
| Taxes (other than Prop. Taxes) | \$522,600          | \$564,000          | 7.92%                               |
| Intergovernmental              | \$3,582,192        | \$3,597,120        | 0.42%                               |
| Regulation & Compliance        | \$304,750          | \$371,295          | 21.84%                              |
| Public Charges/Services        | \$951,705          | \$944,757          | -0.73%                              |
| Public Improvement Revenue     | \$0                | \$0                | 0.00%                               |
| Commercial Revenue             | \$691,400          | \$703,000          | 1.68%                               |
| Other General Revenue          | \$140,200          | \$12,225           | -91.28%                             |
| <b>Total Revenue</b>           | <b>\$6,192,847</b> | <b>\$6,192,397</b> | <b>-0.01%</b>                       |
| <b>EXPENDITURES</b>            |                    |                    |                                     |
| General Government             | \$799,687          | \$770,800          | -3.61%                              |
| Insurance                      | \$252,246          | \$264,800          | 4.98%                               |
| Public Safety                  | \$3,930,019        | \$4,088,162        | 4.02%                               |
| Health & Safety                | \$7,500            | \$8,500            | 13.33%                              |
| Public Works                   | \$2,198,366        | \$2,285,138        | 3.95%                               |
| Leisure Activities             | \$1,486,940        | \$1,520,761        | 2.27%                               |
| Conservation & Development     | \$145,269          | \$148,020          | 1.89%                               |
| Unclassified & Sundry          | \$25,000           | \$40,000           | 60.00%                              |
| Capital Outlay                 | \$158,300          | \$151,492          | -4.30%                              |
| <b>Total Expenditures</b>      | <b>\$9,003,327</b> | <b>\$9,277,673</b> | <b>3.05%</b>                        |

# 2017 Proposed Budget Compared to 2016



# 2017 Proposed Budget Compared to 2016

- Difference between Revenue and Expenditures is the tax levy (\$3,085,276)
- We are not using surplus to “buy-down” the Levy this year.

|                           |                      |
|---------------------------|----------------------|
| <b>Total Revenue</b>      | \$6,192,397          |
| <b>Total Expenditures</b> | \$9,277,673          |
|                           | <b>(\$3,085,276)</b> |
| Local Property Taxes      | \$3,085,276          |
| Net Surplus (deficit)     | \$0.00               |
| Surplus Fund Balance      | \$1,124,639.00       |



# Budget Impact on Homeowner

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The approximately 4.5% tax increase impact on property owners is detailed below based on a \$5.80 tax rate in 2015 and the new \$6.06 tax rate in 2016.

| 2015 Value | 2015 Taxes | 2016 Value | 2016 Taxes | Change in Taxes |
|------------|------------|------------|------------|-----------------|
| \$150,000  | \$869.40   | \$150,000  | \$909.00   | \$39.60         |
| \$200,000  | \$1,159.20 | \$200,000  | \$1,212.00 | \$52.80         |
| \$250,000  | \$1,449.00 | \$250,000  | \$1,515.00 | \$66.00         |

# Understanding the Levy

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**The Levy is how much the city can collect from property owners in taxes.**

The Levy limit is determined by:

- Last years levy
- New construction growth
- Debt service payments

There are two main components to the Levy

- The General Fund O&M (Operations & Maintenance) and Capital Outlay (\$3,085,276)
- Debt Service (\$2,167,400)

The other components that contribute to the Levy are:

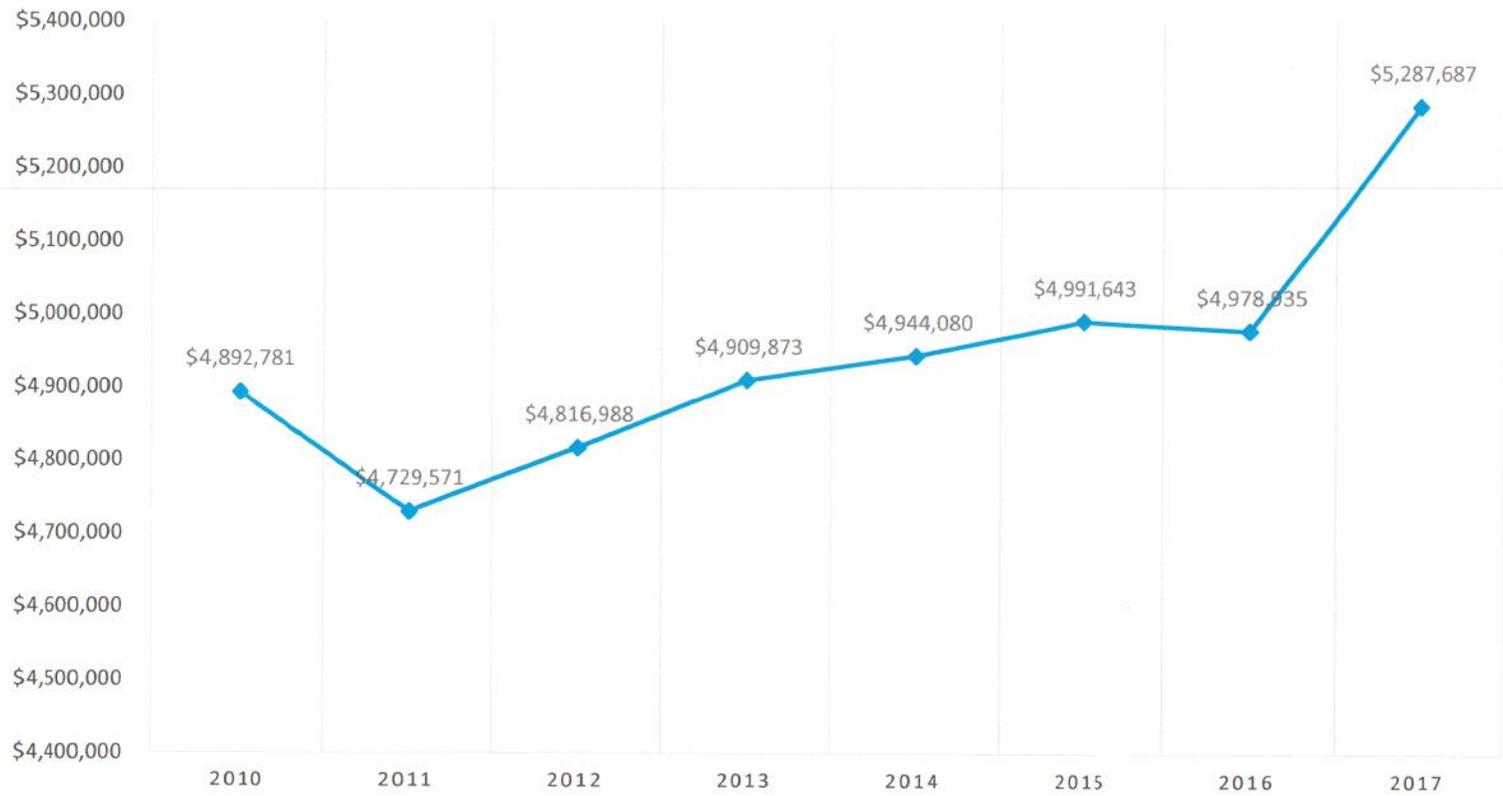
- Senior Center rent (\$35,000)
- Payment to Townships (\$11)

Total Levy collected from property owners: \$5,287,687

- 2016 Tax Rate will be \$6.06 per \$1,000 of assessed value
- 2015 Tax Rate was be \$5.7965 per \$1,000 of assessed value
- 2014 Tax Rate was \$5.8044 per \$1,000 of assessed value



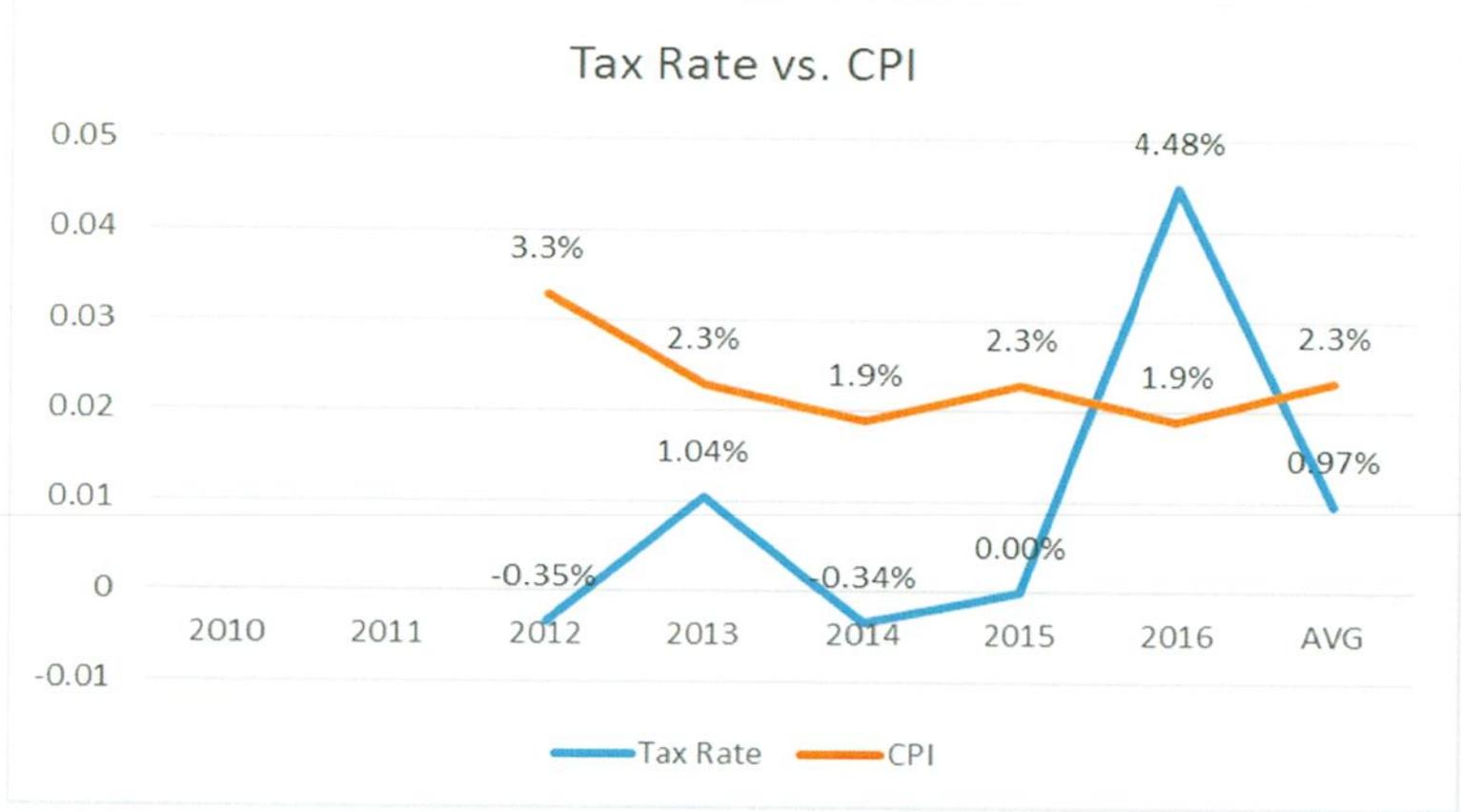
# 8 Year City Levy History



# 6 Year City Tax Rate history

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# CPI vs. Tax Rate history

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# 2017 City of Port Washington Budget

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## DISCUSSION