

CITY OF ST. FRANCIS, WISCONSIN  
2015 OPERATING BUDGET  
Adopted December 5<sup>th</sup>, 2014

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Prepared by:  
City Administrator  
Timothy Rhode

# 2015 OPERATING BUDGET

City of St. Francis, Wisconsin

January 1, 2015 to December 31, 2015

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## CITY OFFICIALS

### Mayor

CoryAnn St. Marie-Carls

### City Council Persons

1<sup>st</sup> District    Sue Bostedt  
                    Steve Wattawa

2<sup>nd</sup> District    Don Brickner – Council President  
                    Michael McSweeney

3<sup>rd</sup> District    Debbie Fliss  
                    Ray Klug

### Municipal Judge

Peter C. Hemmer

### City Administration/Department Heads

Timothy Rhode	City Administrator
Anne B. Uecker	City Clerk/Treasurer
Melinda Dejewski	City Engineer/Director of Public Works
Brian Kaebisch	Chief of Police
Frank Lockwood	Fire Chief
Kathy Scott	Public Health Administrator
Craig Vretenar	Building Inspector
Amy Krahn	Librarian
Paul E. Alexy	City Attorney

# *City of St. Francis, Wisconsin*

**Our Purpose....**

## **Value Statement**

The employees of the City of St. Francis, Wisconsin, through cooperation and teamwork, are committed to provide the highest level of service with honesty and integrity to the community we serve.

We take pride in providing effective, dependable services while striving to achieve excellence through vision, planning and innovation.

*Mission of this Document*

The City of St. Francis budget document is intended to inform and enhance the citizens understanding of the budget process and the services they receive. It is also vital that the City Council and Mayor are provided with the information they need to ensure the budget reflects public interest and is structurally correct. Therefore, it is critical this document serves the following four functions:

*Acts as a Policy Document*

All budgets reflect decisions about a variety of policy issues such as, whom to tax and how much, what new programs to fund, and what programs to reduce or terminate. It is in this context that the budget functions as a policy document in that decisions made within the budget reflect the general principles or plans that guide actions taken for the future.

*Serves as a Legally Required Financial Planning Tool*

Traditionally the budget has always been used as a financial planning tool. To this end, the budget is a requirement by City Code Section 61-3 City Budget. The budget has the legal authority to expend public funds and controls these expenditures by limiting the amount of the appropriation on a program basis. In order to conform with both the Governmental Accounting Standards Board Statement 34 (GASB 34) and changes to the Wisconsin Administrative Code the budget now reflects nine expenditure types instead of the former four (4) programs. The nine expenditure types are (1) Public Safety, (2) Public Works, (3) Health and Social Services, (4) Culture and Recreation, (5) Community and Economic Development, (6) General Government, (7) Debt Service, (8) Capital Projects and (9) Business Type activities. Expenditures that are required to be budgeted include the General Fund, Special Revenue Funds, Debt Service Fund, Capital Project Funds, and Enterprise Funds. Adopted budgets may either be prepared on a cash basis or on a basis consistent with generally accepted accounting principles (e.g., an accrual accounting basis).

*Functions as an Operational Tool*

This budget addresses areas that may not be included in traditional budget documents. These include debt management, capital spending plans, and the incorporation of programmed capital expenditures.

*Acts as a Communication Device*

The budget process provides a unique opportunity to allow and encourage public review of City operations. This budget describes the activities of the City, the reason or cause for those activities, future implications, and the direct relationship to the citizenry.

In addition to the above function, the budget process affords both an interesting and challenging opportunity to reassess objectives, goals, and the means for accomplishing them. It is through this effort that the budget is arguably the single most important policy document produced each year.

*Organization of Document*

Listed below is a brief description of the individual sections of this document, which is intended to acquaint the reviewer with the structure, format and terminology used in this budget document.

*Introduction*

This section provides a brief history of St. Francis as well as an overview of governmental accounting and budgeting. It provides a basic outline of the political structure of our local government in St. Francis.

*Executive Overview*

This section includes the City Administrator's budget message, which is intended to articulate priorities, issues, and any major changes in City services for the upcoming budget year.

*General Fund Line Item Budget*

This section includes the general fund line item budget of 2015 for the City's major revenues and expenditures. The general fund budget makes up over 75% of the total operating revenues and expenditures of the City. While the general fund budget does not cover all the operations of the City, it does capture the majority of the service deliverables that our residents, business owners and visitors do receive.

## **INTRODUCTION**

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### *Capital Projects Budget*

The Capital Improvement Plan (CIP) is a document that looks at a 5 year period of time for major purchases including but not limited to road projects, vehicle replacements, major infrastructure upgrades, equipment and technology. The CIP allows the Elected Officials insight into major purchases that will be needed to maintain service levels within the departments. The City of St. Francis is unique in that the financial policy for CIP purchases have been accomplished by paying in cash, which has been budgeted years in advance, as opposed to borrowing the funds and making principle and interest payments after the purchase.

### *Debt Service Budget*

This section addresses the debt service and debt issuance of the City of St. Francis. The City currently does not have any general obligation debt. However, this fund is used for the purpose of future debt, debt stabilization, and special projects.

### *Library Budget*

The City of St. Francis Library Board operates our library and provides a wide spectrum of multi-generational services to our residents. This section has the line item budget along with other information about the St. Francis Library.

### *Refuse and Recycling Budget*

This section has the line item budget for the waste and recycling services offered in St. Francis. The line items represent the cost of service, which is partially paid for by property taxes and annual fees.

### *Stormwater and Sanitary Sewer Budgets*

The City operates two utilities in the City. Both are operated primarily with user fees. The City operates our two utilities as a business by managing and accounting for assets as if they were a private entity. The line item budgets are located in the section along with additional information.

### *Miscellaneous Special Revenue Funds*

The City has three smaller special revenue funds, which are located in this section. The primary purpose for special revenue funds is to allow these funds to “roll

over” from year to year so that revenues and expenditures for these specific accounts remain associated with the operations.

### *Glossary*

A glossary has been included in this document to assist the reader with any terminology (including abbreviations and acronyms) that are not readily understood.

## HISTORY OF ST. FRANCIS

The early inhabitants of the City of St. Francis were Native Americans who called this land "NOJOSHING", meaning "land which goes into water." St. Francis' first European settlers came to create a largely farming community known as Town of Lake. In 1833 nuns established St. Francis of Assisi convent under the direction of Bishop Henni. In 1856, Bishop Henni also founded the St. Francis Seminary that would serve the entire Milwaukee area. With these developments, the area soon became known as St. Francis.

After several attempts to incorporate as a city, the petition for incorporation and vote were finally successful in July 1951, due to community concern around annexation by Milwaukee. A Mayor and Common Council govern St. Francis in conjunction with a City Administrator. The St. Francis Fire Department provides round-the-clock fire suppression and emergency medical services with 15 full-time personnel and 10 part-time, paid-on-call members. The Police Department is structured by 21 full-time personnel and is augmented by auxiliary police personnel, providing 24-hour patrol.

Within its jurisdiction St. Francis has two county and two municipal parks encompassing 63 acres, 23 of which are situated along the Lake Michigan shoreline. These parks provide direct access to a 99.1-mile county bicycle and walking trail.

The St. Francis School District operates one PK-4<sup>th</sup> grade elementary school – Willow Glen, and one 5<sup>th</sup> -8<sup>th</sup> grade middle school – Deer Creek, and 9<sup>th</sup> – 12<sup>th</sup> grade - St. Francis High School. In addition, the area supports a college preparatory parochial high school (Thomas More). The St. Francis Public Library that serves the community is a member of the Milwaukee County Federated Library System.

The Catholic Archdiocese of Milwaukee and related agencies still owns and operates several institutions on the Northeast side of the City. The primary uses include the Cousins Center, St. Francis Seminary, St. Ann's Center, Sisters of St. Francis of Assisi Convent and the Marian Center.

The City's industrial base includes both light and heavy manufacturing of a variety of goods including food products, machine parts, barrels, spices, paints, and much more. Commercial and service businesses include industrial supply, service professions, and a variety of retail shops. In 1995 Harnischfeger Industries constructed their corporate headquarters in a signature building along Lake Drive. Stark Investments has recently purchased the building. In addition, the Milwaukee Bucks Training Facility and Administrative Offices are also located in St. Francis where they lease space in the Cousins Center.

WE Energy decommissioned its Lakeside Power Plant in 1983, freeing up 140 acres for alternate uses. The plant was dedicated in 1921 and was the world's first power plant to burn pulverized coal. In 1964, the Lakeside Power Plant was converted into a natural gas plant. Much of the site was used for coal storage and an ash deposit site during its 60 years of operation. The soil in the

location of the former plant buildings is known to contain asbestos and has been permanently capped. The extent of additional contamination on other parts of the site is unknown at this time.

**Government** The Mayor is elected to four (4) year terms and the six (6) City Council Members are elected within 3 wards at staggered four (4) year terms on the even years. The City of St. Francis operates under the Mayor- Alderman plan per Chapter 62 of the Wisconsin State Statutes. The plan allows the creation of the City Administrator position. The City Administrator is appointed by the Mayor and approved by the Common Council. The City Administrator is the Chief Administrative Officer and is responsible to the Mayor and Common Council for the proper administration of the business and affairs of the City under State Statutes, ordinances and resolution approved by the Common Council.

The City is organized into eight (8) separate departments. These departments, in cooperation with the City Administrator’s office, carry out the policy of the City Council and the business of the City. The Library operates under the sole authority of the Library Board per state statutes.

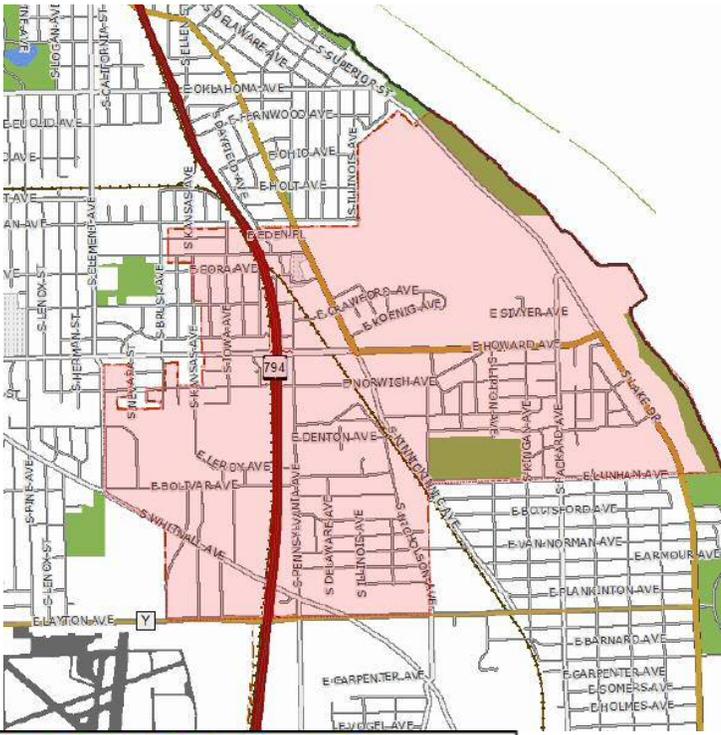
Engineering/Public Works  
Clerk/Treasurers Office  
Library  
Fire

Police  
Building Inspection Dept.  
Health Department  
Municipal Court

As a full-service community, St. Francis has a twenty-four hour police department with 21 sworn Police Officers managed by Chief of Police. The department also oversees a full-time 911 dispatching center. The Fire Department operates with 16 sworn Fire Fighters including the Fire Chief. The Fire Department provides full-time fire and ambulance service with an agreement with the City of Milwaukee for Paramedic services as needed. The Engineering/Department of Public Works (DPW) maintains our streets, parks, storm water, and wastewater departments within the City as well as maintains the City owned buildings. The City Health Department is tasked with the responsibility to oversee several health related areas including working inside the St. Francis School District. The Municipal Court handles all local citations operating two court sessions per month on the second and fourth Monday of the month. Our Building Inspection Department issues and inspects building permits and occupancy permits within the city for code violations. The Library offers an extensive collection and programming for both adults and children. The Clerk/Treasurers office operates the “back office” function of the City of St. Francis including payroll, tax collection, payments for services, and elections.

The City of St. Francis has two TIF (Tax Increment Finance) districts one located in the Northeast area of the City with the other located along Layton Avenue, located on our Southern border. The bulk of the land that makes up our first district is the former WE Energies land north of Howard Avenue. During 2012 the City Staff worked with Ehlers and Associates to create TIF # 4, which will primarily be retail and industrial. As a result of the TIF districts the City has made significant infrastructure improvements including a multi-million dollar streetscape improvement. The district is poised and ready for the economic turnaround in commercial land.

St. Francis is located just south of the City of Milwaukee along the beautiful Lake Michigan shoreline. Positioned in the perfect location between the General Mitchell International Airport, the lakefront and downtown Milwaukee, our residents have the best that southeastern Wisconsin has to offer.



Milwaukee County



St. Francis

# ECONOMIC PROFILE

City of St. Francis, WI

## Population

Year	Number	Percent Change
1980	10,095	--
1990	9,245	-8.4
2000	8,662	-6.3
2010	9,365	8.1

Source: U.S. Bureau of the Census, Wisconsin Department of Administration, and SEWRPC.

## Housing

Year	Total Households	Percent Change
1980	3,795	--
1990	3,924	3.4
2000	4,050	3.2
2010	4,464	10.2

### Unit Information: 2010

Total Units.....	4,795
Owner Occupied Housing Units.....	2,295
Median Value.....	\$160,700
Renter Occupied.....	2,169
Median Rent.....	\$490
Vacancy Rate (Home Owner/Renter)	2.5 & 7.3

Source: U.S. Bureau of the Census and SEWRPC.

## Income

### 2010 Per Capita Personal Income

Milwaukee County.....	23,740
Milwaukee Region.....	40,537
Wisconsin.....	26,624

Source: U.S. Bureau of the Census and SEWRPC.

## Taxes

### Local Property Taxes

- Assessment Ratio: 0.824 (2003)
- Net Rate/\$1,000: \$34.10 (2003)
- Aggregate Full Equalized Value: \$437,805,900 (2003)

Source: Wisconsin Department of Revenue and City of St. Francis.

## Financial

<b>Associated Bank</b> 3719 S. Kinnickinnic Avenue Telephone: (414) 747-0300	<b>PNC Bank</b> 3545 S. Kinnickinnic Avenue Telephone: (414) 486-7001
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**Tri City Bank**  
4698 S. Whitnall Avenue  
Telephone: (414) 482-0610

## Transportation

### Highways

- Interstate Highway 43-94 located 1.5 miles west of the City
- State Trunk Highways 32 and 62
- County Trunk Highway Y
- Lake Parkway

### Trucking

- 268 trucking establishments located in Milwaukee County, with a number of establishments located in St. Francis because of the easy access to General Mitchell International Airport and the IH 94 system

### Air Service

- General Mitchell International Airport, located 2 miles west
- Lawrence J. Timmerman Airport, located 14 miles north
- Rainbow Airport, located 12 miles southwest
- Chicago's O'Hare International Airport, located 76 miles south

### Water Transportation Facilities

- Port of Milwaukee located 4 miles north

### Railway Service

- Union Pacific Railroad

### Public Transit

- Several local bus routes and one freeway flyer route operated by the Milwaukee County Transit System
- Specialized transportation service available to the elderly and persons with disabilities through two special Milwaukee County public transit programs

## Government Services

The City of St. Francis has a mayor/ council form of government, with a full-time City administrator.

### Police and Fire

Police Department: 23 full-time personnel  
Fire Department: 13 full-time personnel

### Moody's Rating

The 2003 *Moody's Municipal Credit Report* stated that the City's financial position is stable and satisfactory. A – with a possible future upgrade.

## Media

### Local Newspapers

- St. Francis NOW, Weekly
- Milwaukee Journal-Sentinel, Daily

# Labor and Wages

## MILWAUKEE COUNTY AVERAGE EMPLOYMENT: 2009

<u>Employment by Industry</u>	<u>Number of Persons Employed</u>	<u>Percent of Persons Employed</u>
Construction.....	12,390	2.5
Education and Health.....	121,270	24.7
Financial Activities.....	37,553	7.6
Information.....	12,423	2.5
Leisure and Hospitality.....	41,940	8.5
Manufacturing.....	64,448	13.1
Natural Resources.....	122	0.0
Other Services.....	16,002	3.3
Professional and Business Services....	73,364	14.9
Public Administration.....	22,585	4.6
Trade, Transportation, and Utilities.....	89,813	18.3
Not Assigned.....	14	0.0
Total.....	491,924	100.0

Note: Table revised July 2005.

Source: Wisconsin Department of Workforce Development, Office of Economic Advisors (Quarterly Census of Employment and Wages) and SEWRPC.

## MEDIAN HOURLY WAGES FOR SELECTED OCCUPATIONS: 2003

Wage and employment estimates categorized by occupation can be found by following the link for the OEA Wage Survey located below.

Milwaukee-Waukesha MSA OEA Wage Survey  
[http://www.sewrpc.org/economicprofiles/milwaukee\\_co](http://www.sewrpc.org/economicprofiles/milwaukee_co)

## MILWAUKEE-WAUKESHA MSA PROJECTED EMPLOYMENT: 2002-2012\*

Employment projections categorized by occupational groups can be found by following the link of the employment projection report located below.

Milwaukee-Waukesha MSA  
 OEA Employment Projection Report  
[http://www.sewrpc.org/economicprofiles/milwaukee\\_co](http://www.sewrpc.org/economicprofiles/milwaukee_co)

\*Milwaukee-Waukesha MSA Includes: Milwaukee, Ozaukee, Waukesha, and Washington Counties.

## MILWAUKEE COUNTY CIVILIAN LABOR FORCE: MARCH 2004

Total Civilian Labor Force.....	487,526
Employed Civilian Labor Force.....	453,950
Unemployed Civilian Labor Force.....	33,576

# Major Private-Sector Employers

## MANUFACTURING

### Machinery Except Electrical

Advance Hydraulics, Inc.  
 ARG Machining Corp.  
 J & L Honing Company  
 Lakeside Centerless Grinding Company  
 Lenard Tool & Machine Products, Inc.  
 PDQ Tooling, Inc.  
 Sheridan Mold & Engineering, Inc.  
 Utility Tool & Machine Company, Inc.

### Food and Kindred Products

Suzy's Cheesecake  
 Quality Candy Shoppes, Inc.  
 Supreme Meats, Inc.  
 Wixon/Fontarome Industries, Inc.

### Fabricated Metal Products

Advance Screw Products, Inc.  
 Becker Boiler Company, Inc.  
 Kitzinger Cooperage Corp.

### Corporate Headquarters

Stark Investments Corporate Headquarters  
 Milwaukee Bucks Corporate Headquarters  
 Arch. Cousins Center

Source: Classified Directory of Wisconsin Manufacturers, Wisconsin Business Service Directory, City of St. Francis, and SEWRPC.

# Health

Milwaukee communities are served by a complete range of health facilities and health professionals offered by the County's 18 area hospitals and over 1,000 area clinics. Of special interest is the Milwaukee Regional Medical Center, a voluntary consortium of private, nonprofit, and governmental institutions dedicated to the delivery of health care, the education of health personnel, and the conduct of health-related research.

## Education

The City of St. Francis is served by the St. Francis School District.

**Public High School Graduates: 2003**  
 Total Graduates.....87  
 Average Graduation Rate.....100.0%

**Standardized Test Results: 2004**  
 Based upon the mean scores reported in nation, Wisconsin students scored the highest in the nation on the American College Test (ACT).

**2003 Average ACT Scores**  
 St. Francis School District.....19.9  
 Wisconsin.....22.1  
 United States.....20.8

Source: Wisconsin Department of Public Instruction and SEWRPC.

The following post-secondary educational facilities are located within Milwaukee County:

**Colleges and Universities**  
 Alverno College, City of Milwaukee  
 Cardinal Stritch College, City of Glendale  
 Columbia College of Nursing, City of Milwaukee  
 Marquette University, City of Milwaukee  
 Medical College of Wisconsin, City of Wauwatosa  
 Milwaukee Institute of Art & Design, City of Milwaukee  
 Milwaukee School of Engineering, City of Milwaukee  
 Mount Mary College, City of Milwaukee  
 University of Wisconsin-Milwaukee, City of Milwaukee  
 Wisconsin Lutheran College, City of Wauwatosa

**Technical and Vocational Schools**  
 Milwaukee Area Technical College

**Library**  
 The St. Francis Public Library is a member of the Milwaukee County Federated Library System.

## Industrial Sites

Industrial Parks (December 2004)  
 Acres

Name	Total	Available	Contact Person
St. Francis Airport Industrial Park	200	7	Mr. Tim Rhode Administrator, City of St. Francis Telephone: (414) 481-2300

## Local Contacts

For industrial, commercial, or business information about the City of St. Francis, contact:

- City Administrator  
 City of St. Francis  
 4235 S. Nicholson Avenue  
 St. Francis, Wisconsin 53207  
 Telephone: (414) 481-2300  
 Facsimile: (414) 481-6483  
 e-mail:  
 TRhode@stfranwi.org  
 Website:  
 www.cityofstfrancis.com

- Southeastern Wisconsin Regional Planning Commission  
 P.O. Box 1607  
 Waukesha, Wisconsin 53187-1607  
 Telephone: (262) 547-6721
- Community Development Manager  
 We Energies  
 231 W. Michigan Street  
 Milwaukee, Wisconsin 53203  
 Telephone: (414) 221-3018  
 Facsimile: (414) 221-3853

This profile is one in a series of regional, county, and community profiles prepared by the Southeastern Wisconsin Regional Planning Commission in cooperation with the

## Utilities

### Electric Power

- We Energies  
 Service Information:  
 1-800-242-9137

### Natural Gas

- We Energies  
 Service Information:  
 1-800-236-9874
- Wisconsin Gas Company  
 Business Service: 1-800-664-0007  
 Residential Service:  
 1-800-242-4035

### Solid Waste

- Private contractor collects residential (maximum three-family) waste on a weekly basis. Large residential, commercial, and industrial users hire private contractors to collect their waste.

### Telephone

- AT & T  
 Business Service Information:  
 Phone: 1-888-903-

### Water

- City of Milwaukee Water Utility  
 Source: Lake Michigan  
 Pumping Capacity:  
 280 million gallons per day  
 Average Daily Consumption:  
 137 million gallons  
 Adequate Capacity for New Industry  
 Rate Information: (414) 286-2221

### Sanitary Sewerage

- Milwaukee Metropolitan Sewerage District: South Shore Service Area  
 Average Annual Hydraulic Loading:  
 100 million gallons per day  
 Average Hydraulic Design Capacity:  
 250 million gallons per day  
 Rate Information: Sewer Billing  
 (414) 272-5100

*Financial Structure*

The City of St. Francis operates on a calendar year operation. The City's accounting and budgeting systems are organized and operated on a fund basis. Where a business typically combines the results of the operations of all its subsidiaries into one consolidated report, the City of St. Francis creates a separate report for each one of its groups of funds. **A fund is defined as an accounting entity with a self-balancing set of accounts.** Each fund receives revenue from different sources and functions as if it were a self-contained business with its own set of accounts and financial reports. The revenues from that fund, plus any appropriate transfers of revenue from other funds cover the expenditures from each fund. As a result of the fund structure, the City of St. Francis does not have a single bottom line, but multiple bottom lines - one bottom line for each fund.

The fund structure serves the following two main functions:

- 1) The separation of funds helps ensure that earmarked revenue is being spent appropriately. For example, because individual funds are smaller, less complicated and have their own reports, it is easier to track or match revenues with expenditures. This task would be far more difficult if the City had one (1) large undifferentiated fund.
- 2) Fiscal control is a key element of a fund structure. Not only should the budget balance, surpluses in one fund should not be used to cover deficits in other funds. Thus, the fund structure forces governments to meet a more exacting standard of balance than private sector organizations.

*Types of Funds*

The City of St. Francis groups all of its funds into three (3) broad categories depending on the nature of the fund. **Governmental Funds** are used to account for the City's governmental type activities; **Proprietary Funds** account for the City's business type activities; and **Fiduciary Funds** are used to account for activities when the City acts in an agent or fiduciary capacity. Listed below are the categories used by the City and the basic types of funds for each category.

### Governmental Funds

**General Fund** is the operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund accounted for, are in this fund.

**Special Revenue Funds** are used to account for revenues derived from specific sources required by law to be accounted for in separate funds.

**Debt Service Fund** is used to account for legally mandated reserves and the payment of interest and principal on the City's general long-term debt.

**Capital Project Funds** are used to account for all resources used in the acquisition or construction of capital facilities.

### Proprietary Funds

**Enterprise Funds** are used to account for operations and activities that are financed and operated in a manner similar to **private business**, where costs of providing the service are expected to be financed through user charges.

**Internal Service Funds** are used to finance and account for services and commodities furnished by designated departments to other departments of the City. Currently, the City of St. Francis does not have an Internal Service Fund established.

### Fiduciary Funds

**Non-Expendable/Expendable Trust Funds** are used to account for assets held by the City in a trustee capacity for other governments, organizations or other funds.

### *Preliminary Budget*

The City Administrator has prepared a proposed operating budget (sometimes referred to as the **executive budget**) to present to the Finance Committee in October. The City Staff, City Council and interested public then conduct a series of meetings to review the information and discuss amendments.

**It is important to note that the City Council conducts a public hearing in late November or early December before any formal action is taken on the budget. This allows the citizens of St. Francis an opportunity to voice any concerns they may have over the City's budget. The Citizens of St. Francis are also invited to all budget sessions.**

*Amending the Budget*

Due to certain unforeseen events it may become necessary to modify the adopted budget. A formal budget amendment can bring about change in the total appropriation for a department or fund and has to be approved by the City Council.

## CITY OF ST. FRANCIS DRAFT 2015 BUDGET TIMELINE

Due Date	Responsibility	Action
August 22 <sup>nd</sup> , 2014	City Administrator	Submit budget worksheets/Timeline/ 5 year CIP to Department Heads
September 19 <sup>th</sup> , 2014	Department Heads	Submit completed worksheets to City Administrator
September 19 <sup>th</sup> , 2014	Department Heads	Submit 5 year capital requests to City Administrator
September 22 <sup>nd</sup> -26 <sup>th</sup> , 2014	City Administrator Department Heads  Finance Committee	Direction of Finance Committee on tax rate and revenue
October 1 <sup>st</sup> , 2014	City Administrator	Compile and assemble 2015 (DRAFT) Budget Document
October 7 <sup>th</sup> , 5:30PM, 2014	Finance Committee	Finance Committee approves revenue projections
October 21 <sup>st</sup> -, 2014	Finance Committee	Finance Committee Review draft 2014 Budget Finalize 2015 Budget for Public Hearing (Tax Rate)
December 2 <sup>nd</sup> , 2014	Finance Committee Meeting	5 Year Capital Project Plan DRAFT
November 5 <sup>th</sup> , 2014	Finance Committee Meeting	Deliver Final draft of 2015 Executive Budget to Elected Officials
November 18 <sup>th</sup> ,2014	City Council Meeting	Budget Session (Budget Presentation for Council and public)
December 5 <sup>th</sup> , 2014	Finance Meeting	CIP Draft Review/ Approve
<b><u>December 5<sup>th</sup> 7:00PM, 2014</u></b>	City Council	Public Hearing & Submit 2015 Budget to State of Wisconsin

# CITY OF ST. FRANCIS, WISCONSIN

November 1<sup>st</sup>, 2014

Mayor Cory Ann St. Marie-Carls  
City Council & Citizen  
4235 S. Nicholson Ave  
St. Francis, Wisconsin 53235

**RE: 2015 Executive Summary (Management Discussion & Analysis)**

Honorable Mayor St. Marie-Carls, City Council Members and Residents.

I respectfully present the proposed budget for the City of St. Francis for the 2015 budget year. As the City's financial and spending plan for the year, the adoption of the budget is undoubtedly the single-most important action taken by the Mayor and City Council each year. The adopted budget will authorize resources and establish a direction for our programs and services for the coming year.

It is vital that the Mayor and City Council are provided with the information needed to ensure that the budget document reflects the public interest. It is our hope that this budget serves as an effective policy document, financial planning tool, operational tool and communication device.

At the time of this documents creation, the Finance Committee is still reviewing a few items for consideration as the State of Wisconsin has not released all the final budget numbers. The majority of the budget, including the tax levy, is ready for the Budget Hearing set for December 2<sup>nd</sup>, 2014.

## ***2014- Year in Review***

The City is in our fourth year of the States levy limit freezes. The 2013 State Budget did not increase any amounts of the State Aids from 2012 when the large decrease in State Aid took place. The City implemented its first employee handbook in 2012 which has not resulted in any substantial HR issues, The Handbook replace the long standing Labor Agreements for non-Police and Fire employees. Additionally, city staff including Police and Fire all make the same annual contribution to the WRS

(Wisconsin Retirement System) in addition to covering 12% of the premiums for health insurance. Building on the Employee Handbook, the City implemented a Performance Review process as well as tying that process into Pay for Performance program which is in its second year. Employees are eligible for pay increases based on their performance review each year.

The Community Development Authority has hit the ground running with its new TIF # 4 on the Southwestern portion of St. Francis. This new district is focused on retail along Layton Avenue and industrial and manufacturing in our business park. The official paper work has been approved by the State of Wisconsin Department of Revenue and took effect January 1, 2013. The CDA has purchased several properties in the district all part of the TIF improvement plan. In 2015 some of the project plan will become a reality.

The undertaking of the new Civic Center was a historic accomplishment for the City. Moving into the future at our new Civic Center we will need to take advantage of new efficiency and opportunities to provide better customer service. The project which only took 1 year has been a catalyst for individual departments to modernize and update systems and procedures.

The 2015 Budget process was a difficult balancing act this year. In light of an adjustment in the Health Insurance plan which saved the City 8% this year, moving into the 2016 Budget cycle I am proposing the City look into 7 (seven) areas throughout the 2015 year via the Finance Committee. These items in no particular order and not necessarily listed as items to eliminate, more importantly these items should be reviewed from the perspective of looking at other options for funding sources and/or other options to provide these services:

- 1) Crossing Guards

- 2) Health Nurse in School
- 3) Custodial Services
- 4) Health Insurance Plan
- 5) Existing Fee's including but not limited to Attorney Services
- 6) Decommissioning of old City Hall
- 7) School Resource Officer Program

While all of these items have merit as part of City operations, these items I have identified as areas which programing, funding, services and cost should be reviewed on and individual basis and not in the hast of budget season.

### 2014 Department Year in Review and "Moving" forward 2015

#### *Clerk/Treasurer's Office*

The City Clerk/Treasurer's Office focused on "going green" in 2013 and is carrying that forward into 2015. The Council, along with most Committees/Commissions/Boards receive their packets and agendas in a paperless format. Those agendas and packets are posted to the City's website for easy retrieval by elected officials and citizens. The continues with "going green" with paperless records. This process allows for the City to use less storage space but more importantly, find information faster. And as far as paper - less is better! 2015 is not a big election year, but plans are being made to relocate voting from the St. Francis Library to the new Civic Center.

#### *Fire Department*

Prevention, education and suppression continue to be the cornerstones and mission statement of the Fire Department. The inspection bureau assures that all residential properties three family or larger, and all commercial buildings receive inspections semi-annually or annually depending on the type of occupancy. Our public education programs span from the very young to the more experienced residents.

Educating our community is the first step in preventing catastrophic events from happening. The ultimate goal of the fire department is to achieve the safest community as possible, but in cases where an emergency arises, the citizens will receive the most efficient and effective response as possible to save lives, and protect property.

### *Department of Public Works*

The highway department plowed the roads, patched the streets, performed the mandatory sewer cleanings, mowed the city owned properties and right-of-ways, performed the paint striping, assisted other departments in their operations such as voting and accident clean-up, and provided general service to the City. In addition, they continued construction on the Nojoshing Trail.

The engineering department oversaw the construction of S. Iowa Avenue and S. Kansas Avenue, along with the annual weed abatement/enforcement program, annual sidewalk replacement program, bi-annual watermain trench repair contract, catch basin repair contract and reviewing construction items for the new Civic Center.

For 2016, the highway department will continue all maintenance programs including the final phase of the Nojoshing Trail system. The engineering department will be overseeing the construction of the extension of S. Nevada Avenue between E. Bolivar Avenue and S. Whitnall Avenue, the construction of the gravel alley to a concrete alley west of Willow Glen School south of E. Denton Avenue, the installation of storm sewer in S. Brook Place along with the possible reconstruction of S. Brook Place at E. Crawford Avenue, and a possible municipal parking lot south of E. Crawford between the railroad tracks and S. Kinnickinnic Avenue. They will also be managing the annual weed abatement/enforcement program, catch basin repair program and overseeing the Vretenar Memorial Park bandshell improvements.

### *The Health Department*

The Cities Ready Initiative (CRI) has an assessment tool for each local health department. This tool assess plans and clinics and generally how well we are prepared should the need arise. The St. Francis health department received a 100% on this tool.

This year the Health Department will be reviewed by the State, which is called a 140 review. This is done every five years. During this review,

several persons in the Department of Health will review all St. Francis Health Department's programs and documentation for each program. Every program is based on a State Stats as well as the Community Health Improvement Plan.

The St. Francis Health Department is continuing to work toward Voluntary National Accreditation of the Health Department. This is a very lengthy and tedious process and will take several years to complete.

### *Police Department*

The St. Francis Police Department remained committed to maintaining the highest standard of living for our citizens in 2014. The top priorities were service and protection. We understand Public Safety is vital to the growth and image of our city. We offered a variety of community and school programs in addition to our normal duties and responsibilities. We believe in these partnerships and look forward to working out of our new facility for many years to come. Thanks for your continued support.

We will remain diligent in our duties and responsibilities in 2014. We are looking forward to moving into a new facility that will provide us an opportunity to increase our service and operate with greater efficiency and safety. We thank you for your continued support and assistance in achieving our goals together.

### *Library*

In 2014, The Library continued to evaluate and update the collection to meet the needs of the community. We saw continued high circulation of books, movies and CDs and continue to see increases in participation in programming. The library launched a new literacy/ELL program - Learning Connections - in January and continued to explore new programming ideas. The Library Board and staff developed a strategic plan for 2015-2017. The children's area received a bright new look - the

walls were painted with an aquatic theme and a new boat bookcase feature was installed.

In 2015, the Library will engage the community in a Digital Literacy Drive, providing opportunities for patrons of all ages to explore and learn basic computer skills and new technologies. We will continue to expand programming and create new community outreach connections. The Library will also undertake the repair and replacement of the clerestory roof, windows and siding.

### *Building Inspection*

The Building Inspection Department continues to provide quality inspection services for construction projects within the City both small and large. This year the City had eight new home starts this summer in Trestle Creek and Sivyver Ave subdivision with a total value over \$1.5 million. The Civic Center project has been completed along with the final draft revision of our Comprehensive Smart Growth Plan.

The City will continue to review and adjust the Codes and Design standards to keep pace with needs of our community. Additionally, the City is looking forward to redevelopment of the Stark property at 3600 S Lake Drive and expansion of Wixon Inc. on Bolivar Ave.

We will strive to implement utilization of more electronic formatting for permitting and record storage of Board of Appeals and Aesthetic Control meeting of past and future.

### *2015 Preliminary Budget Process*

While preparing for the 2015 budget, City Staff were directed to focus on the following three items:

- Operating Efficiencies
- Reviewing Non-Property Tax Revenues
- Finding new Efficiencies in the new Civic Center

Using the above-referenced items as guidelines, the City Department

Heads submitted their proposed budgets. After reviewing the proposed budgets and making the appropriate amendments, the City Administrator compiled the proposed 2015 budget for the finance committees review.

### General Community Overview

Evaluating the financial stability of the City of St. Francis as a community requires two pieces of information. First is the current trend of property values based on classification. I have put together a chart outlining the valuations over the last 7 years: As the our Assessment Ratio continues to climb, the City may need to consider a city wide re-assessment in the near future. Combined with the unfunded State Mandate to have all City Assessing files electronic we could accomplish both at the same time. The cost estimate for a full city wide re-assessment and conversion to digital formatting is estimated at \$100,000.

### ASSESSED VALUE VS ASSESSMENT RATIO 8 YEAR REVIEW

<u>Valuation</u> <u>Year</u>	<u>Assessed Value</u>	<u>Equalized Value</u>	<u>Assessment</u> <u>Ratio</u>	<u>TIF #3 &amp; 4</u> <u>Value</u>
2014	\$651,318,802	\$569,633,300	1.14	\$100,158,760
2013	\$654,318,802	\$571,772,700	1.14	\$52,765,500
2012	\$660,416,600	\$607,019,900	1.0868	\$11,158,579
2011	\$665,588,000	\$634,211,600	1.049	N/A
2010	\$677,816,400	\$649,557,500	1.045	N/A
2009	\$668,027,000	\$681,521,100	0.9802	\$97,245,700
2008	\$550,495,900	\$681,138,200	0.8082	\$54,790,600
2007	\$545,720,000	\$671,903,500	0.8122	\$52,765,500

The second piece of information for financial stability is in the chart below: an overview of the City’s top 10 property values. This is important to note when evaluating the strengths and weaknesses of a community. The goal is to not have all your largest property values in one “industry” as well as to avoid having a single property far and above the values of others so that our success or failure is not in one company’s hands. (Example: General Motors Plan)

## St Francis Top 10 - 2011

TaxKeyNumber	OwnerName	Land	Improvements	Total
543-9006-001	Lake Drive Ventures	\$1,320,600	\$7,204,800	\$8,525,400
592-0051-003	South Shore Medical Development	\$394,100	\$7,635,000	\$8,029,100
591-9987-004	LLC Fw WI-Whitnall Square	\$1,349,400	\$6,610,700	\$7,960,100
592-9876-001	Fred Camelot Arms	\$895,000	\$5,638,500	\$6,533,500
545-8004	Howard Village V, LLC	\$878,400	\$5,247,200	\$6,125,600
591-9999-001	Plaza IV Properties LLC	\$680,000	\$5,127,200	\$5,807,200
544-0003-004	WI Electric Power Co	\$5,320,000	\$0	\$5,320,000
586-9954	Raymond J. Perry	\$790,000	\$4,280,000	\$5,070,000
544-0002-001	Baierl Family LLC	\$500,000	\$3,667,000	\$4,167,000
584-0001	Life Investors Thompson LLC	\$500,000	\$2,930,000	\$3,430,000
		\$12,627,500	\$48,340,400	\$60,967,900

The City of St. Francis has a good range of high value properties in a diverse group of industries and categories. This chart is missing a few of our larger property owners because they have multiple parcels, thus are not listed as part of our "top 10." Regardless, the results are the same and are very positive.

## 2015 Property Tax Break Down

### Tax Levy Vs. Tax Rate

**Tax Levy** is the total dollars the City of St. Francis will tax both personal and real estate property in the City. This year that number is \$5,724,538 which is **0%** increase from 2014.

**Tax Rate** is the City's tax levy amount (\$5,724,538) divided by the total real estate and personal property assessed value provided by the State of Wisconsin estimated to be (\$645,498,602). This year property owners will receive in the mail a similar tax bill for the City's portion. Keep in mind the City only controls the tax levy for our operations. The School, County, State, MMSD and MATC are all the taxing authorities which make up a Property Tax bill.

To demonstrate the example below is a chart of the tax levy and tax rate in St. Francis over the last 6 years with our the City TIF District # 3 & 4 added.

Year	2010 Levy	2011 Levy	2012 Levy	2013 Levy	2014 Levy	2015
Tax Levy for City	\$5,330,035	\$5,419,554	\$5,419,554	\$5,419,554	\$5,724,538	\$5,724,538
Tax Rate for City	\$7.97	\$7.99	\$8.14	\$8.20	\$8.79	\$8.86
Assessed Valuation	\$668,223,504	\$677,816,404	\$665,288,000	\$660,416,600	\$651,318,802	\$645,498,602

As you can see the levy has stayed steady over the years as the cost of providing services has increased. \* One caveat to this chart does not show the any TIF levy. However, the tax rate is a reflection of the assessed values so when the City does a re-evaluation the tax rate dropped because property values increased. Then moving forward over time the values become under assessed based on true market values and the tax rate will move slightly up. But regardless of what trend cycle St. Francis is in, the overall tax bill for an average home will be similar if not slightly lower than last year.

Where your total tax bill goes! The City collects property taxes for all the taxing authorities for our area. The break down below is the overall tax rate per \$1,000 of assessed value:

<u>Taxing Authority</u>	<u>Tax Rate</u>	<u>Percentage of Total</u>
City of St. Francis	\$8.86	31%
State of Wisconsin	\$0.15	1%
St. Francis School District	\$10.74	38%
Milwaukee County	\$5.45	18%
MMSD	\$1.51	7%
MATC	\$1.12	5%
<b>Net Rate</b>	<b>\$27.84</b>	<b>100%</b>

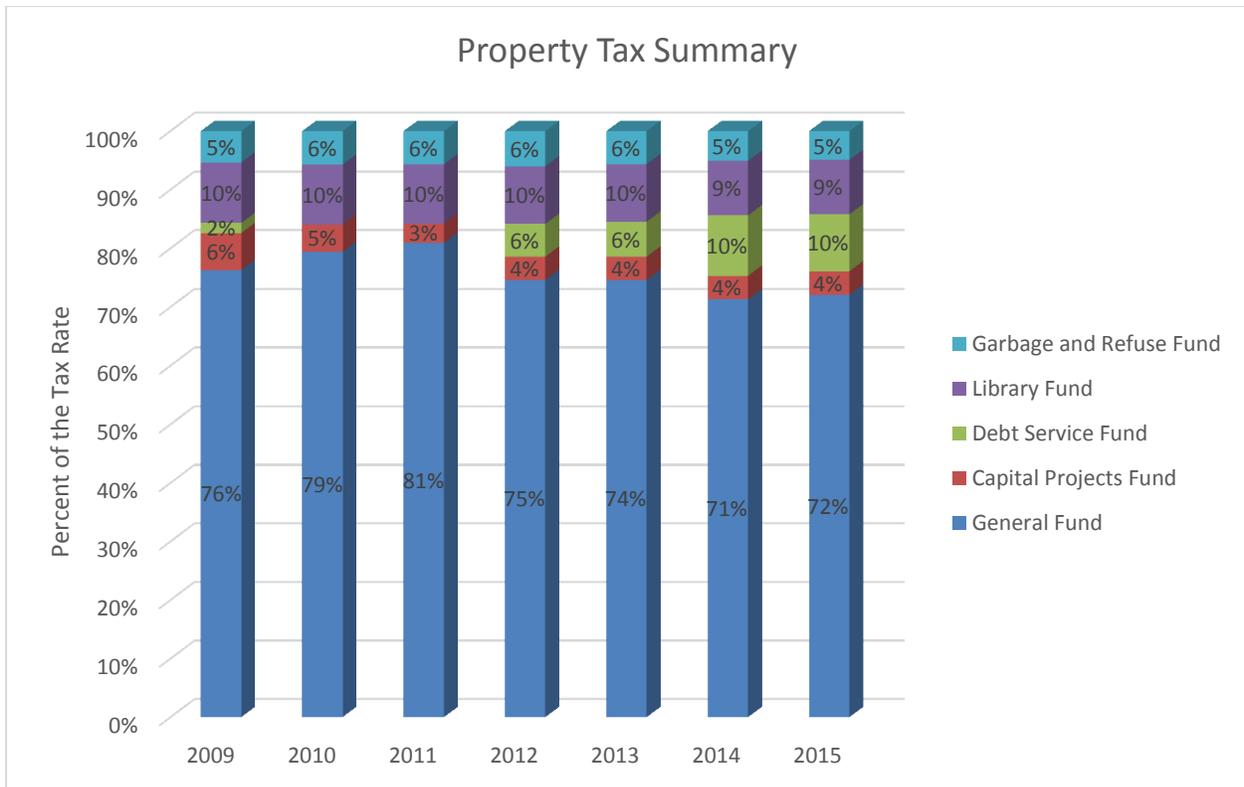
- This does not include any rebates or tax credits which for 2015 should be about -\$2.60/\$1,000 of value



## *City of St. Francis Portion of Tax Rate*

Based on the Tax Levy of \$5,724,538 the City used the funds for 5 major categories to operate the City of St. Francis. Below is break down of that usage along with a chart outlining the percentages. The City will not be levying any dollars for TIF District # 3 & 4 based on the depressed property values in the district.

Property Tax Summary	2010	2011	2012	2013	2014	2015	\$ of Change
General Fund	\$4,233,079	\$4,388,035	\$4,044,666	\$4,044,666	\$4,082,166	\$4,127,189	\$45,023
Capital Projects Fund	\$250,102	\$178,880	\$215,379	\$215,379	\$230,379	\$230,379	\$0
Debt Service Fund	\$0	\$0	\$302,870	\$322,870	\$590,354	\$555,331	-\$35,023
Library Fund	\$541,854	\$547,639	\$531,639	\$531,639	\$531,639	\$531,639	\$0
Garbage and	\$305,000	\$305,000	\$325,000	\$305,000	\$290,000	\$280,000	-\$10,000
<b>Total Tax Levy</b>	<b>\$5,330,035</b>	<b>\$5,419,554</b>	<b>\$5,419,554</b>	<b>\$5,419,554</b>	<b>\$5,724,538</b>	<b>\$5,724,538</b>	<b>\$0</b>



Most common question...

**Where does your St. Francis tax dollar go?**

The average assessed home value in the City of St. Francis based on 2,094 Single Family Homes in our community is \$158,118.00. If we take our average home price as an example, this would be the tax bill.

Average Assessed Home Value..... \$158,118  
 Estimated Total Property Tax Bill.....\$3,862  
 City of St. Francis Portion of Bill.....\$1,197

**Breakdown of St. Francis Portion of Tax Bill:**

<p><b>General Government:</b> This accounts for expenditures for the City Council, Court, Elections, Administrative Services, Commissions, Committees, Property Assessment and Property/Liability Insurance</p>	<p>\$66.91</p>	<p><b>Fire &amp; EMS:</b> This expenditure accounts for costs to operate the Fire Department including salaries, benefits, maintenance, supplies and training.</p>	<p>\$193.33</p>
<p><b>Administrator &amp; Clerk/Treasurer:</b> Expenditures for staff salaries and benefits, dues, conferences and supplies and operating agreements.</p>	<p>\$55.10</p>	<p><b>Engineering:</b> This expenditure accounts for salaries and benefits, technology, maintenance, supplies and costs associated with engineering, inspections &amp; mapping</p>	<p>\$52.21</p>
<p><b>Parks and Recreation:</b> This expenditure accounts for the maintenance and operations of the City parks and open space activity areas and includes beautification and special events.</p>	<p>\$2.03</p>	<p><b>Streets/ DPW:</b> This expenditure accounts for operating and maintaining our roads, salaries, benefits, maintenance, street repair, snow plowing, grass cutting and street lighting.</p>	<p>\$136.02</p>
<p><b>Building Inspection and Community Development:</b> This expenditure accounts for the supplies and salaries for code enforcement and permitting activities within the City.</p>	<p>\$9.13</p>	<p><b>Library:</b> This expenditure accounts for costs to operate and maintain our Library including salaries, benefits, materials and operations.</p>	<p>\$114.58</p>
<p><b>Police:</b> This expenditure accounts for the costs associated with operating the Police Department. It includes salaries, benefits, supplies, technology and maintenance.</p>	<p>\$296.08</p>	<p><b>Debt Payment:</b> This category is for the cost associated with long-term borrowing. The City borrowed \$8.5 million dollars in 2013 for the construction of the Civic Center in 2014.</p>	<p>\$130.97</p>

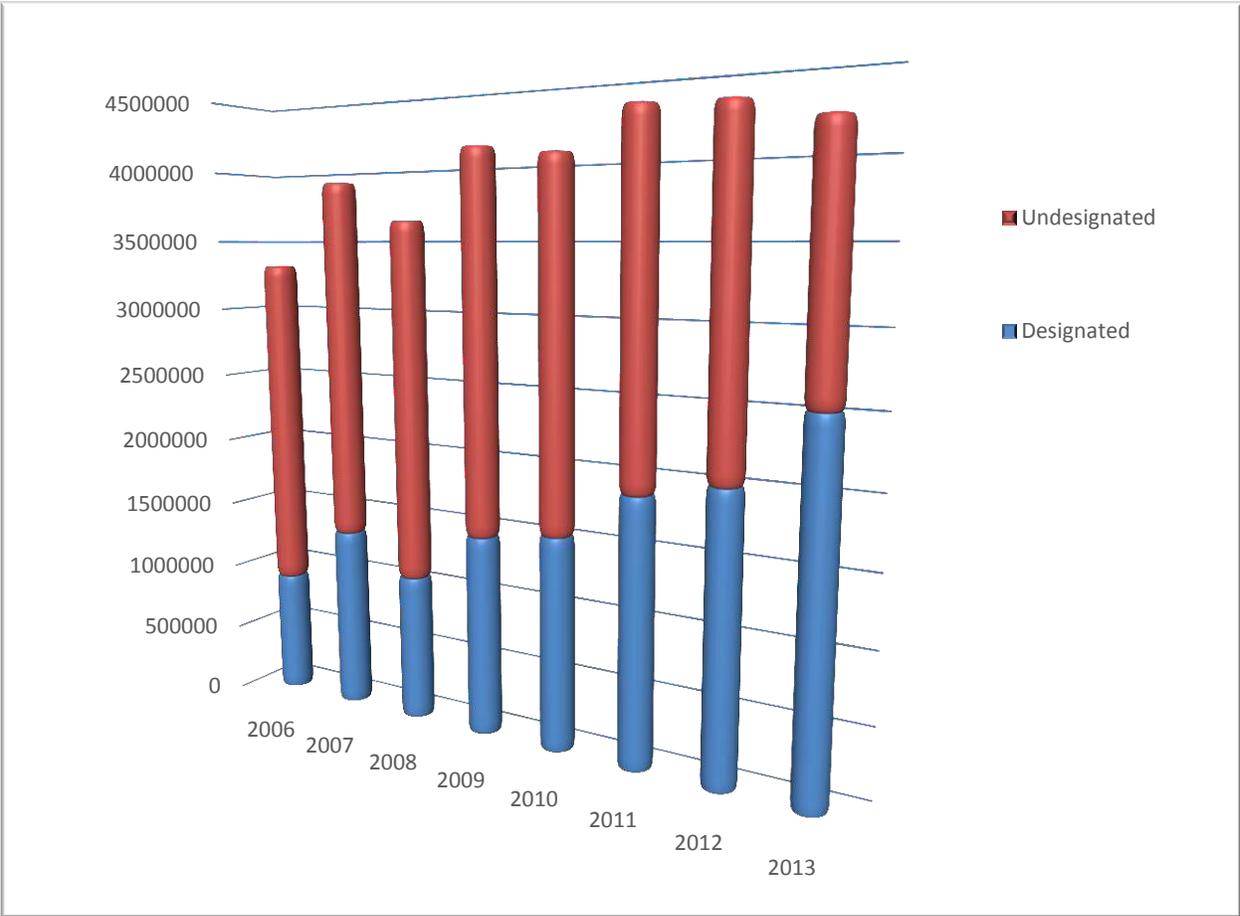
<p><b>Solid Waste/Recycling:</b> This expenditure accounts for costs associated with our waste haulers contract, our recycling contract and costs associated with operating the City's Recycling center.</p>	<p>\$61.16</p>	<p><b>Capital Projects:</b> This expenditure accounts for projects including building improvements, equipment, road construction, vehicle/truck purchases and property acquisitions.</p>	<p>\$65.47</p>
<p><b>Health:</b> This department oversees community health and coordinates with the County and State to stay compliant. Also coordinates and services the St. Francis School District.</p>	<p>\$14.01</p>		

## 2015 Budget Highlights by Fund

<b>General Fund</b>	<b>2014 Budget</b>	<b>2015 Budget</b>	<b>% of Change</b>
Taxes	\$6,322,801	\$6,373,105	0.80%
Licenses	\$24,725	\$30,570	23.64%
Permits	\$123,625	\$131,375	6.27%
Penalties/Forfeitures	\$236,525	\$302,000	27.68%
Gifts & Grants	\$772,383	\$787,329	1.94%
Charges for Special Services	\$17,500	\$15,000	-14.29%
Other General Revenue	\$8,900	\$12,400	39.33%
Interest	\$95,000	\$85,000	-10.53%
Departmental	\$397,100	\$411,600	3.65%
All Other	\$0	\$0	N/a
Cable TV	\$130,000	\$130,000	0.00%
Unclaimed Builder Deposits	\$0	\$0	N/a
Park Shelter Fees	\$4,000	\$4,000	0.00%
<b>Total Revenues</b>	<b>\$8,132,559</b>	<b>\$8,282,379</b>	<b>1.84%</b>
General Government	\$1,288,440	\$1,304,327	1.23%
Public Protection	\$5,029,380	\$5,121,515	1.83%
Health & Social Services	\$172,106	\$169,426	-1.56%
Department of Public Works	\$1,505,033	\$1,548,711	2.90%
Education & Recreation	\$25,400	\$26,200	3.15%
All Other	\$112,200	\$112,200	0.00%
<b>Total Expenditures</b>	<b>\$8,132,559</b>	<b>\$8,282,379</b>	<b>1.84%</b>

On the expenditure side of the ledger, the city increased its spending by 1.84% or \$149,820 to reflect the slight increase in operating cost. All city employees will be contributing 7.0% or half the Wisconsin retirement contribution in addition to paying 12% (current for 2013) of the health insurance premium. Increase in utility cost as well as snow and ice control. Additionally, staffing wage increases account for the majority of expenditure items which have gone up.

### *General Fund Reserve Balance*



General fund cash reserve is one of the three financial trend monitoring numbers used by outside rating agencies when determining a community’s bond rating. The accepted accounting principle of a cash reserve of 20% - 30% with larger budgets closer to 20% and smaller budgets like the City of St. Francis closer to 30% has been a goal of Treasures and Administrators for years. While the city is not required to have a specific percentage of cash in our reserves for our general fund, the city is in a good financial position with just over 4 million dollars or 31% in reserves. The general fund cash reserve is broken down into two major categories, *Designated* and *Undesignated*. *Designated* represents pledges or commitments that the City has specifically entered into, which in turn “designates” or “reserves” those funds for the specific use. One example would be employee sick time. While it is very unlikely that every employee will retire from the City next year, the City designates approximately ~\$94,000 just in case several employees retire and collect this benefit. The City also has an *undesignated* category, which can be used for emergencies and does not have a specific purpose, other than the very important role of providing financial stability into the future.

### *Capital projects Fund Overview*

The City of St. Francis has a unique position when it comes to capital improvements or capital project fund. The City, through hard work and fiscal discipline, has aggressively paid down its long-term debt from the late ninety's and early 2000's and has moved to a "cash financing" strategy for capital items. This process is not easy to achieve, based on the simple fact that the City must designate cash "funds" each year for future purchases down the road. The reason this is a challenge is that the needs of today often times outweigh the needs of the future, in most communities. Yet, the few communities that operate cash financing for capital projects reap the rewards of not having large long-term debt payments, interest payments and issuance/auditing costs associated with debt. With that said, the City of St. Francis does not have a formal 5 year Capital Improvement Plan (CIP), but does have individual Department plans. A goal for the 2016 Budget would be to compile and evaluate, with elected officials, residents and staff, a comprehensive 5 year CIP document. In the full budget documents, under the section for capital projects, is a full listing and outline of all capital requests for 2015, as well as the balances per each account.

## *Debt Service Overview*



The City of St. Francis has just completed a yearlong project of our new Civic Center. A project which started back in 2010 with a facilities study and took shape in 2013 with a ground breaking event. Our new Home, the Civic Center, opened for business October 2<sup>nd</sup>, 2014 and is located at 3400 E. Howard. It is the home of the Police, Fire, City Administrative services, and the St. Francis Historical Society. The City created and implemented a debt strategy of using cost savings from operating expenses from 2011, 2012 and 2013 balance with 8.5 million dollar debt issuance (Bond) to construct the new Civic Center. The strategy was to levy an additional \$60/average household in the City for the new building. The other cost of the debt is to come from cost saving in operational cost.

## *Library Overview*

The City of St. Francis Library Board operates our library and provides a wide spectrum of multi-generational services to our residents. While the Library Board has full authority to control the funding expenditures of the library, the City Council designates the specific amount of the tax levy used to fund the Library. Maintenance of effort was a state mandate, which stated that in order to qualify the City of St. Francis for the state shared revenue program, reduction in overall Library funding was prohibited.

## *Sanitary Sewer Utility and Stormwater Utility Overview*

The City operates two independent utilities for both stormwater and sanitary sewer. A third completely independent water utility is operated by the Milwaukee Water Works, which provides water to our city independent of any city operation or authority.

The stormwater utility collects revenue from a fee placed on the annual sewer bills. The fee is based on an “impervious surface” area of the property calculated by using ERU’s (Equalized runoff units). This area is calculated based on unit rate for both residential and commercial property. The impervious surface is the overall surface area of a lot, which does not allow water to soak into the ground. On an average home, the roof of the house and garage, driveway and patio would be impervious service area. The utility allows the city to generate revenue to pay for large projects, which benefit all the property owners of St. Francis.

The sanitary sewer utility operates in conjunction with our regional sewer treatment facility MMSD (Milwaukee Metropolitan Sewage District). The city operates and maintains the sewer mains that run throughout our city. Our mains then drain into larger feeder lines that run directly to MMSD’s treatment plant at the South Shore. We bill quarterly for the maintenance and flow of sewage in the city and the annual tax levy for MMSD appears on property owner’s tax bills.

The utilities operate very close to a private business model with profit and loss based on the operational needs each year. The goal of both utilities is to operate with a small profit for stability in keeping the rates consistent from year to year. Both utilities have been operating at a profit for several years. With the recent change in political direction in Madison, new mandates and regulations on operating these utilities will be forthcoming. Overall, staff is not proposing any significant changes in operations for both the utilities for 2015. Minor projects include South Brook Place storm sewer replacement, and a trial program of sanitary sewer lining to reduce inflow was performed in 2013 and review of its overall impact on the system is ongoing.

### *Non-Major Special Revenue Funds*

The City has three small special revenue funds which are Library Donations \$11,365; Library Reciprocal Borrowing \$180,184; and Police Community Relations \$56,891. These accounts are small in nature and serve the specific purpose for which they are named. These accounts roll over each year and all funds in these separate accounts are bookmarked specifically for use in these categories. No major changes have been proposed for these accounts for the 2015 Budget year.

### *Garbage and Recycling Funds*

The City contracts services with Waste Management for trash and recycling pick up service. The contract will be in effect until November 30<sup>th</sup>, 2015. At the time of this document, the City Council is in the process of taking action to approve a new 5 year deal with a Waste Haller. The major change moving forward in St. Francis is that the

new contract will be for automated pickup, similar to what we currently do for recycling.

These funds also account for providing the residents a site for dropping off yard waste and other materials at the city garage. Any cost difference is factor as part of the reserve account in this category for 2015. However due to the cost increases in recycling costs, the city will continue our strategy set in 2013 of adding \$5 to the \$55 recycling fee this year bringing it up to \$60. Overall, the city spends \$480,000 for both services and currently only charges a small recycling fee on the property tax bill.

### *Conclusion*

Currently, communities in Wisconsin are under a levy limit freeze through 2015. While the levy freeze is in place, local governments must manage resources through efficiency, as the ability to raise the property tax is not an option. The levy freeze has made the budget process challenging, however not impossible. Presented is a balanced budget for 2015 with no reduction in service to the residents and business owners in St. Francis.

A special note of thanks to all the department heads that assisted with their department budgets and especially to the City Clerk/Treasurer and her staff for numerous amendments on running the different budgets and reports. Their competence and dedication are sincerely appreciated.

I would also like to thank the Mayor, City Council and residents for your interest, dedication and support in planning and conducting the financial operations of the city in a responsible and progressive manner.

Respectfully submitted,

Tim Rhode  
City Administrator

## A

**Accrual Basis** - A basis of accounting in which revenues are recognized in the accounting period they are earned and become measurable. Expenditures are recognized in the period that they are incurred, if measurable.

**Activity** - Departmental efforts that contribute to the achievement of a set of program objectives; the smallest unit of the program budget.

**Ad Valorem Taxes** - Commonly referred to as property taxes. Ad valorem taxes are levied on both real and personal property according to the property's valuation and the tax rate.

**Annualize** - Taking revenues or expenditures that occurred during the year and calculating their cost for a full year. As an example, a \$25,000 cost that occurs quarterly will have an annual cost of \$100,000.

**Appropriation** - A legal authorization to incur obligations and to make expenditures for specific purposes.

**Assessed Valuation** - The valuation set upon real estate and certain personal property by the Assessor as a basis for levying property taxes.

**Asset** - Resources owned or held by a government that have monetary value.

**Attrition** - A method of achieving a reduction in personnel by not refilling the positions created by layoffs.

## B

**Bond** - A long-term I.O.U. or promise to pay. It is a promise to repay a specified amount of money (the face amount of the bond) on a particular date (the maturity date). Bonds are primarily used to finance capital projects.

**Bond (General Obligation)** - A general obligation bond is backed by the full faith, credit and taxing power of the government.

**Bond (Revenue)** – A revenue bond is backed only by the revenues from a specific enterprise or project.

**Bond Refinancing** – The payoff and re-issuance of bonds, to obtain better interest rates and/or bond conditions.

**Budget** – A plan of financial activity for a specified period of time (fiscal year) indicating all planned revenues and expenses for the budget period.

## C

**Capital Assets** – Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

**Capital Budget** – A plan of revenues and expenditures to improve facilities, equipment and other infrastructure of the Village's for a defined period of time.

**Capital Improvements** – Expenditures related to the acquisition, expansion or rehabilitation of an element of the government's infrastructure.

**Capital Improvement Program** – A collection of capital improvement projects to Village property that is defined by year over a fixed number of years to meet the needs of the Village. The program is approved by the Village Trustees annually.

**Capital Improvement Project** – A major construction, acquisition or renovation activity/project that adds value to a physical asset or significantly increases their useful life.

**Cash Basis** – A basis of accounting, in which revenue and expenditure transactions are recognized only when cash is increased or decreased.

**Component Units** – Legally separate organizations for which the elected officials of the primary government are accountable; or if the primary government is not accountable, the nature and significance of the component unit's financial relationship is such that to exclude it would cause the primary government's financial statements to be misleading or incomplete.

## D

**Debt Service** – The cost of paying principal and interest on borrowed money according to a predetermined payment schedule.

**Deficit** – The excess of an entity’s liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

**Department** – An organizational unit that is functionally unique in its delivery of a service.

**Development-related fees** – Those fees and charges generated by building, development and growth in a community. Included are building permits, review fees and zoning/platting/subdivision fees.

**Disbursement** – The expenditure of monies from an account.

## E

**Employee Benefits** – Contributions made by a government to meet commitments or obligations for employee fringe benefits. Benefits included are the government’s share of Social Security and various pension, medical and life insurance plans.

**Encumbrance** – The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.

**Entitlements** – Payments to which local governmental units are entitled, pursuant to an allocation formula determined by the state or federal government (i.e., Road Use Tax).

**Expenditure** – The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.

**Expense** – Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

## F

**FEMA** – Federal Emergency Management Agency

**Fiscal Policy** – A government’s policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal policy provides direction relative to the planning and programming of government budgets and their funding.

**Fiscal Year** – A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. Butler’s local fiscal year is January 1-December 30. The federal fiscal year is October 1-September 30.

**Full-time Equivalent Position (FTE)** – A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time parks employee working 20 hours a week or 1,040 hours per year would have an equivalent position of 0.5 of a full-time position.

**Fund** – A fiscal entity with revenues and expenses that are segregated for the purpose of carrying out a specific purpose or activity.

**Fund Balance** – The excess of the assets of a fund over its liabilities, reserves and carryover.

## G

**GAAP** – Generally Accepted Accounting Principles. Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules and procedures that define accepted accounting principles.

**Goal** – A statement of broad direction, purpose or intent based on the needs of the community.

**Grants** – A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantee.

## I

**Indirect Cost** – A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned to one service.

**Infrastructure** – The physical assets of a government (e.g., streets, water main, sewer main, bridges, etc.).

## L

**League** – Wisconsin League of Municipalities

**Levy** – To impose taxes for the support of government activities.

**Line-item Budget** – A budget prepared along departmental lines that focuses on what is to be bought.

**Long-term Debt** – Debt with maturity of more than one year after the date of issuance.

## M

No definitions for M.

## N

No definitions for N.

## O

**Objective** – Something to be accomplished in specific, well-defined and measurable terms and that is achievable within a specific time frame.

**Obligations** – Amounts that a government may be legally required to meet out of its resources. They include encumbrances not yet paid.

**Operating Revenue** – Funds the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings and grant revenues. Operating revenues are used to pay for day-to-day services.

**Operating Expenses** – The cost for personnel, materials and equipment required for a department to function.

## P

**Pay-as-you-go Basis** - A phrase used to describe a financial policy by which capital outlays are financed from current revenues versus borrowing.

**Personal Services** - Expenditures for salaries, wages and fringe benefits of a government's employees.

**PILOT** - Payment in Lieu of Taxes - This is used to collect tax equivalent payments from non-profit tax exempt properties within the City of St. Francis.

**Prior-Year Encumbrances** - Obligations from previous fiscal years in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation, and for which a part of the appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise terminated.

**Purpose** - A broad statement of goals, in terms of meeting public service needs, that a department is organized to meet.

## Q

No definitions for Q.

## R

**Referendum** - The principal or practice of referring measures passed upon or proposed by the legislative body of voters, or electorate, for approval.

**Reserve** - An account used either to set-aside budgeted revenues that are not required for expenditure in the current budget year.

**Resolution** - An order of a legislative body that is less formal than an ordinance or statute.

**Resources** – Total amounts available for appropriation including estimated revenues, fund transfers and beginning balances.

**Revaluation** – Approximately every 5 years the City Assessor reviews residential and some commercial property values to determine if assessed values should be changed from those submitted from the assessor.

**Revenue** – Sources of income financing the operation of government.

## S

**Source of Revenue** – Revenues are classified according to their source or point of origin

## T

**Taxes** – A collection of accounts used to capture revenue related to property tax (including TIF).

**Tax Exemptions** – Authority to reduce the assessed property tax value of a piece of property. Examples include Homestead and Veteran exemptions.

**Tax Increment Finance Collection Fund** – The fund that captures revenue relative to incremental taxes generated through the Village’s urban renewal area.

**Tax Levy** – The resultant product when the tax rate per one thousand (\$1,000) dollars is multiplied by the tax base, and figuring in the assessment ratio, where applicable.

<b>Property Value for Residential Home</b>	<b>\$150,000</b>
/ \$1,000 of Valuation	\$150.00
* City Tax Rate of \$7.52	\$1128
<b>City Taxes for \$150,000 Home</b>	<b>\$1128.00</b>

**Taxes** – Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

## U

**Unencumbered Balance** – The amount of an appropriation that is neither expanded nor encumbered. It is essentially the amount of money still available for future purposes.

**Unreserved Fund Balance** – The portion of a fund’s balance that is not restricted for a specific purpose and is available for general appropriation.

**User Fees** – The payment of a fee for direct receipt of a public service by party who benefits from the service.

## W

**WCMA** – Wisconsin City/County Management Association

**WDNR** – Wisconsin Department of Natural Resources

**WDOT** – Wisconsin Department of Transportation

**Working Cash** – Excess of readily available assets over current liabilities; cash on hand equivalents that may be used to satisfy cashflow needs.

**No definitions for V, X, Y and Z.**

