



Franklin

W I S C O N S I N

***Mayor's Recommended 2022
Budget***

September 21, 2021

2022 BUDGET PRIORITIES/GUIDING ASSUMPTIONS/STRATEGIES

- ***Establishment of a prudent, fiscally responsible budget***
 - ***Maintain City services***
 - ***Conservative spending***
 - ***Match reoccurring revenues with operating expenditures***
 - ***Minimize taxes to the extent possible***
- ***Ongoing, known challenges***
 - ***Balance between the services provided compared to the cost to provide them – reasonable and fair taxes***
 - ***Restraints at the State level: levy limits, expenditure restraint limits, and reduced or stagnant shared revenues***
 - ***Marketplace pressures***
 - ***Economy-based pressures***

2022 BUDGET PRIORITIES/GUIDING ASSUMPTIONS/STRATEGIES

- ***2022 Additional Challenge – COVID-19***
 - ***COVID-19 impact on 2020 & 2021***
 - ***2022 Considerations***
 - ***2021 Budget fully funded with no use of contingency planned***
 - ***Technology planning in place for potential future disruption of services***
 - ***Current & potential state/federal aids***
 - ***Emergency use of fund balance in 2022, if necessary***

2022 BUDGET PRIORITIES/GUIDING ASSUMPTIONS/STRATEGIES

- ***Maintaining City services, protecting City assets, and using resources responsibly***
 - ***Employees are our largest asset***
 - ***Critical need for additional labor for all first responders – Immediate need for 2022 - two (2) additional firefighters***
 - ***Review of all operations, cost evaluations***
 - ***Considerations: consolidation of services; adopting feasible, new technologies; contracting for services; etc.***
 - ***Capital spending – review every request on its own merits and consider the affect maintenance of buildings and roads, as well as the impact of deferred maintenance***

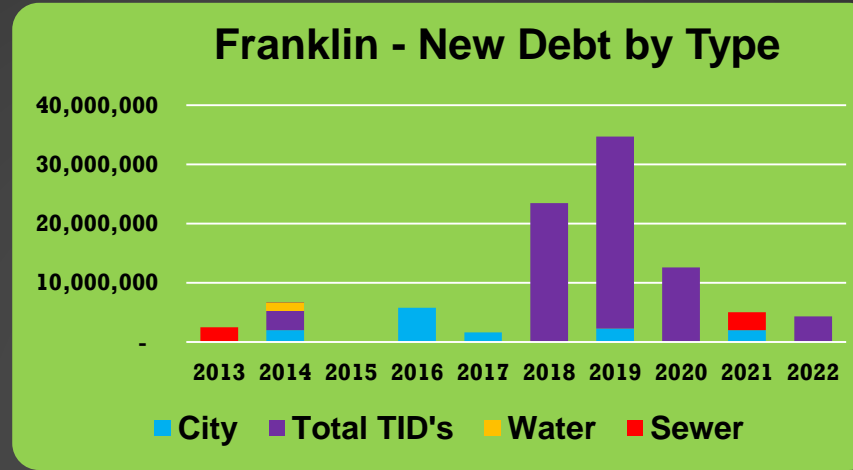
2022 BUDGET PRIORITIES/GUIDING ASSUMPTIONS/STRATEGIES

- ***New Initiative for 2022 and beyond – Five-Year Capital Improvement Plan (CIP)***
 - ***Identify and prioritize the City's capital needs on an ongoing basis***
 - ***Ensure timely repair and replacement of aging infrastructure, as well as the building/purchasing of new assets consistent with growth and development while minimizing unanticipated and unplanned capital expenditures***
 - ***Provide a level of certainty, keeping the community informed***
 - ***Plan for funding needs, including economical and effective financing methods, searching out and securing grants, and flattening out borrowing levels***
 - ***Balancing the desired public improvements with the community's financial resources, and provide for public input***
 - ***Partnering with Industrial Roofing Services to address immediate needs and schedule future projects***

2022 BUDGET PRIORITIES/GUIDING ASSUMPTIONS/STRATEGIES

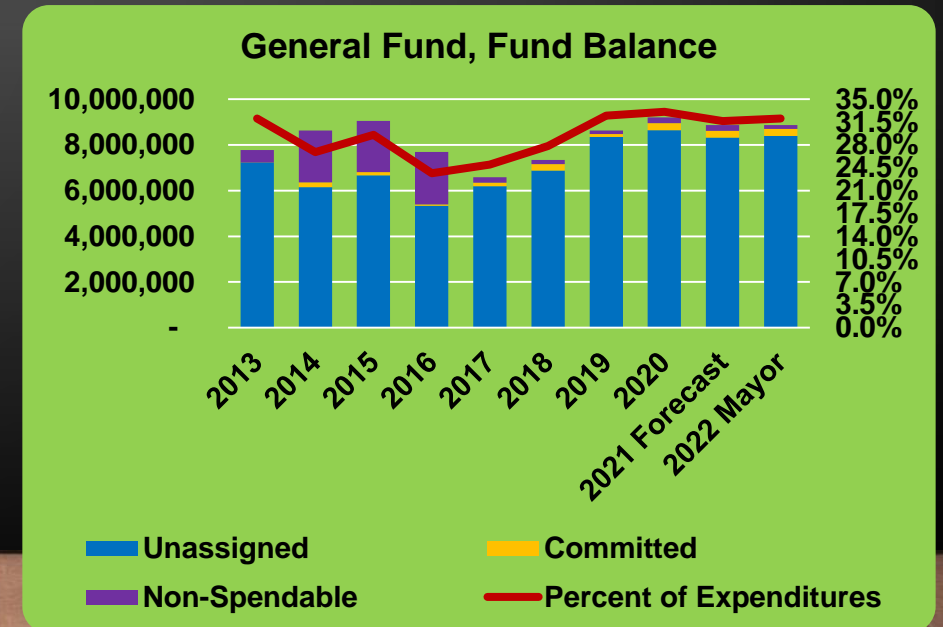
- **Debt Management**

- **Debt Rating**
- **Recent usage**
- **Borrowing purposes**
- **Debt capacity**



- **Ensure the City's long-term fiscal health**

- **Fund balance existence**
- **Best practices**
- **Criteria/affect of spend down**
- **Amounts greater than needed**



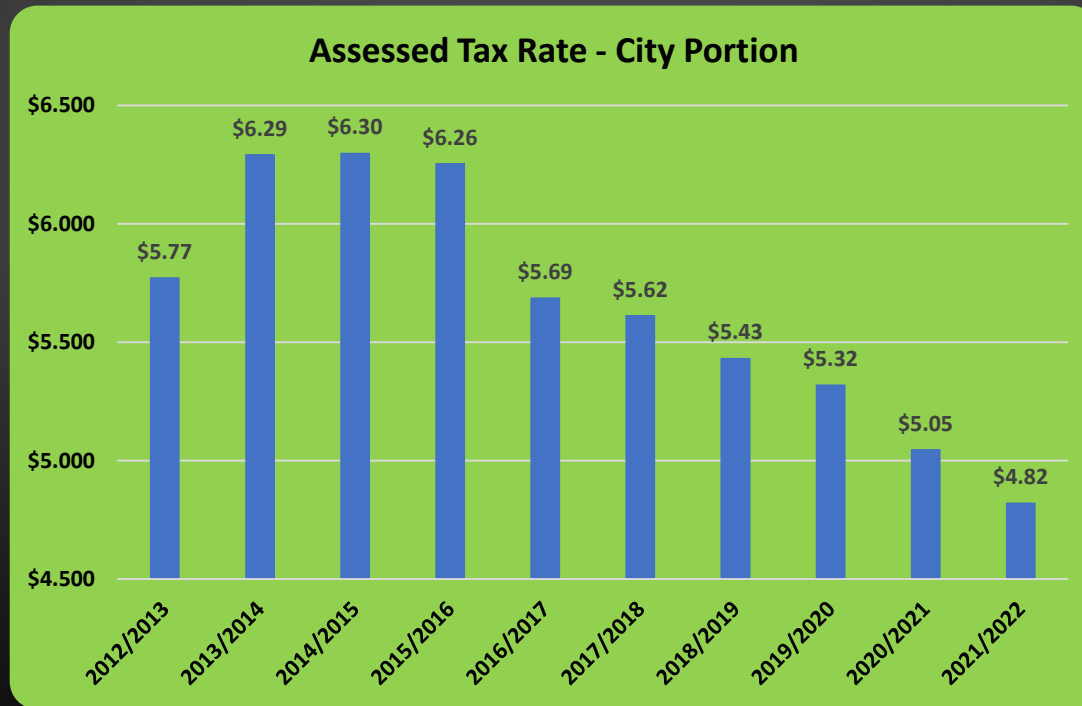
MAJOR HIGHLIGHTS OF THE 2022 RECOMMENDED BUDGET

- *All currently provided City services are maintained with no reduction in staffing*
- *Net New Construction in 2021 is 113,793,500, or 2.48%, accounting for ~\$548,500 in levy funds / overall levy increase is \$513,900, a 2.3% increase – decreasing the overall tax burden to property owners*



MAJOR HIGHLIGHTS OF THE 2022 RECOMMENDED BUDGET

- **2021 City assessed tax rate is estimated at \$4.82 per thousand dollars of value, a \$0.23 decrease compared to the 2020 assessed tax rate**



MAJOR HIGHLIGHTS OF THE 2022 RECOMMENDED BUDGET

- ***Reduction in State shared revenue/no longer qualify for expenditure restraint program/tax rate less than \$5.00/thousand dollars of value***
- ***Fully balanced budget with no planned use of fund balance***
- ***General Fund details***
 - ***Revenues increased by \$844,561***
 - ***Expenditures increased by \$594,561, net of restricted contingency and transfers out***
 - ***Personnel costs increased by \$668,853, two new firefighters, a full-time benefitted position in Public Works replacing temporary help, other miscellaneous staffing changes, and wage increase for all employees in 2022***

MAJOR HIGHLIGHTS OF THE 2022 RECOMMENDED BUDGET

- ***Funded reserve for succession planning, to maintain required staffing levels, without long periods of vacancy***
- ***Goal to maintain or lower Health Insurance plan costs, to shift the focus to managing claim costs and engaging employees to do the same***
- ***Capital spending of ~\$25.8 Million / Planned use of ~\$6.7 Million of funds on hand***
- ***No extraordinary contributions required for the OPEB Trust***
- ***No new general borrowing is planned for 2022***
- ***Approximately \$7.6 Million of new borrowing is included for anticipated future tax incremental financing projects***

MAJOR HIGHLIGHTS OF THE 2022 RECOMMENDED BUDGET

- ***A \$5 increase in the Solid Waste Fee to cover the increased refuse and recycling costs over the past two years***
- ***ARPA Funding - ~\$3.75 Million / ~\$1.5 Million identified for a fiber network and phone system for City facilities/operations***
- ***Completion of the major update to the City's Unified Development Ordinance (UDO), which defines the zoning, development, and land division regulations***
- ***Comprehensive Outdoor Recreation Plan Update***

2022 BUDGET AND OPERATIONAL FOCUS

- ***Growth and development – smart growth***
- ***Continue to address City-wide aging infrastructure***
- ***Determine the City's future water source, which has been ongoing for a number of years***

2022 BUDGET AND OPERATIONAL FOCUS

- ***Attracting and maintaining a high-quality workforce***
 - ***Succession Planning***
 - ***Continual review of pay and benefits***
 - ***Implementation of the merit pay element of the authorized classification and compensation system / using remaining funds carried over from 2021 with 2022 budgeted funds***
- ***Focus on operational efficiencies / evaluation of services***

STRENGTHS / OPPORTUNITIES

- ***Developable land***
- ***Funding for capital items***
- ***Impact Fees supporting needed improvements***
- ***OPEB Trust***
- ***Pension Fund***

OPERATING BUDGET – OTHER FUNDS

- ***Solid Waste Fund***
- ***Sanitary Sewer Fund***
- ***Civic Celebrations***
- ***St. Martin's Fair***
- ***Donations***
- ***Grants***
 - ***Fire / Police / Other***
 - ***Health***

INTERNAL SERVICE FUND

- ***Self-Insurance Fund***

- ***No substantial plan design changes***

- ***Administrative Recommendations***

- ***New TPA for the self-funded medical plan***

- ***New TPA for the self-funded dental plan***

- ***New Benefit Resource Center for employees***

DEBT SERVICE FUND

- ***Debt service levy = \$1.1 Million, same as 2021 Budget***
- ***Multiple funding sources for existing general obligation debt: general City funds, Water, Sewer, TID***
- ***Expecting debt shortfall in TIDs – Ensuring that developers are aware and pay will be forthcoming***
- ***Future borrowing plan in concert with CIP Plan refinement***
- ***One-time, large projects will require increased borrowing compared to current plan***

NEXT STEPS / TIMELINE THROUGH COUNCIL CONSIDERATION ON NOVEMBER 16TH

Finance Committee review of the budget - four meetings planned:

- ***Tuesday, September 28th, 4 PM - Introduction of the Mayor's Recommended 2022 Budget, revenues and expenditures, cost allocations, personnel head counts & additions***
- ***Thursday, September 30th, 4 PM - Capital & Operating Budgets – Departments: Public Safety, Health, Recreation, and Planning***
- ***Thursday, October 7th, 4 PM - Capital & Operating Budgets – Departments: Public Works/Parks, Solid Waste, Sanitary Sewer, Economic Development, General Government***
- ***Monday, October 11th, 4 PM - TIDs, Debt Service, Self-Insurance Fund, Total Tax Levy and Tax Rates, and determine recommendations to the Common Council***

NEXT STEPS / TIMELINE THROUGH COUNCIL CONSIDERATION ON NOVEMBER 16TH - CONTINUED

- ***Council discussion/decision regarding Finance Committee recommendations and initial changes to the budget - October 19th***
- ***Hearing Notice will be published on October 27th, on the then current budget details***
- ***Continued deliberation of the proposed budget between - October 19th - November 16th***
- ***Public Hearing on the 2022 Proposed Budget – November 16th***
- ***Council consideration of the 2022 Proposed Budget - November 16th***

Staff will be as responsive as possible in order to ensure that the Common Council has all of the needed information to consider a final 2022 Budget on November 16th

QUESTIONS?