



Franklin

W I S C O N S I N

**Mayor's Recommended 2021
Budget**

September 15, 2020

2021 Budget Priorities/Guiding Assumptions/Strategies

- **Establishment of a prudent, fiscally responsible budget**
 - **Maintain City services**
 - **Conservative spending**
 - **Match reoccurring revenues with operating expenditures**
 - **Minimize tax increase 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**

2021 Budget Priorities/Guiding Assumptions/Strategies

- **2020 unique challenge – COVID-2019**
 - **Impact on 2020**
 - **Potential impact on 2021**
 - **2021 considerations**
 - **Planned reduced revenues**
 - **Technology planning for future disruption of services**
 - **Conservatism in case of emergency needs / 2021 Budget fully funded, with no use of contingency planned**
 - **Potential state/federal aids**
 - **Possibility of 2020 year-end surplus usable in 2021**
 - **Emergency use of fund balance in 2021, if necessary**

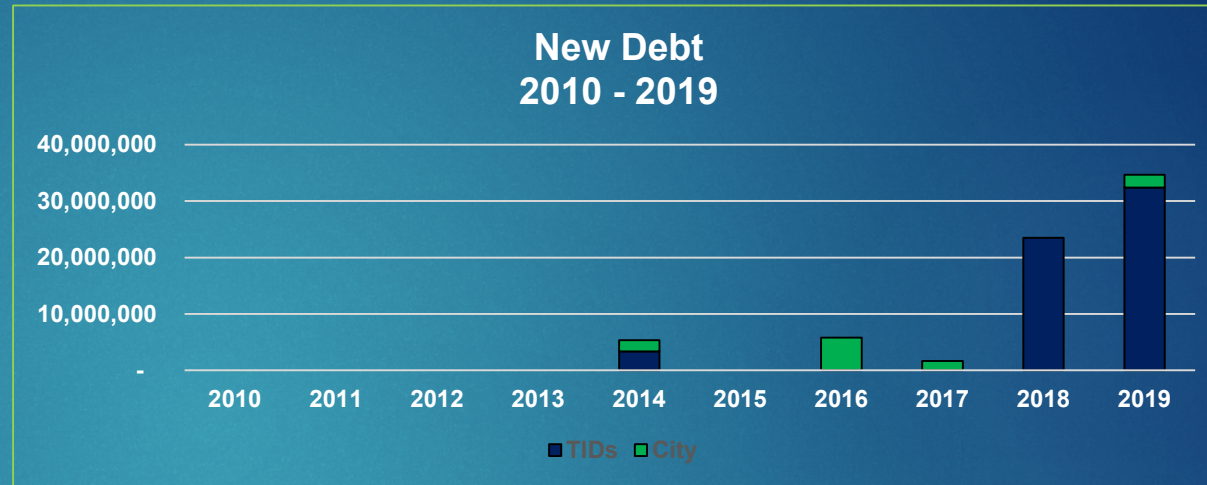
2021 Budget Priorities/Guiding Assumptions/Strategies

- **Maintaining City services, protecting City assets, and using resources responsibly**
 - **Employees are our largest asset**
 - **Temporary help positions to assist in service delivery**
 - **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**

2021 Budget Priorities/Guiding Assumptions/Strategies

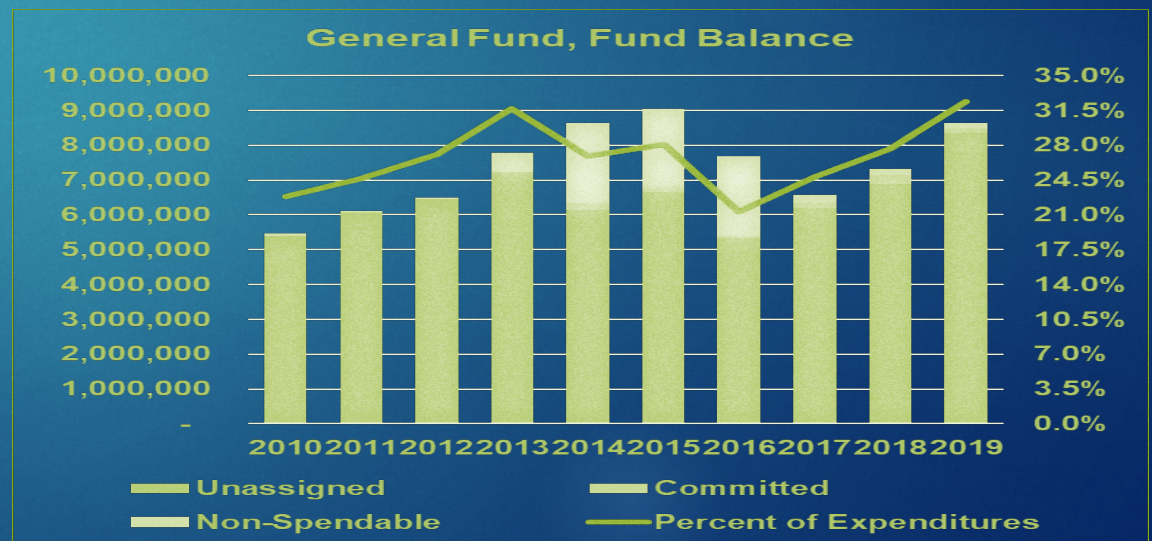
- **Debt Management**

- 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



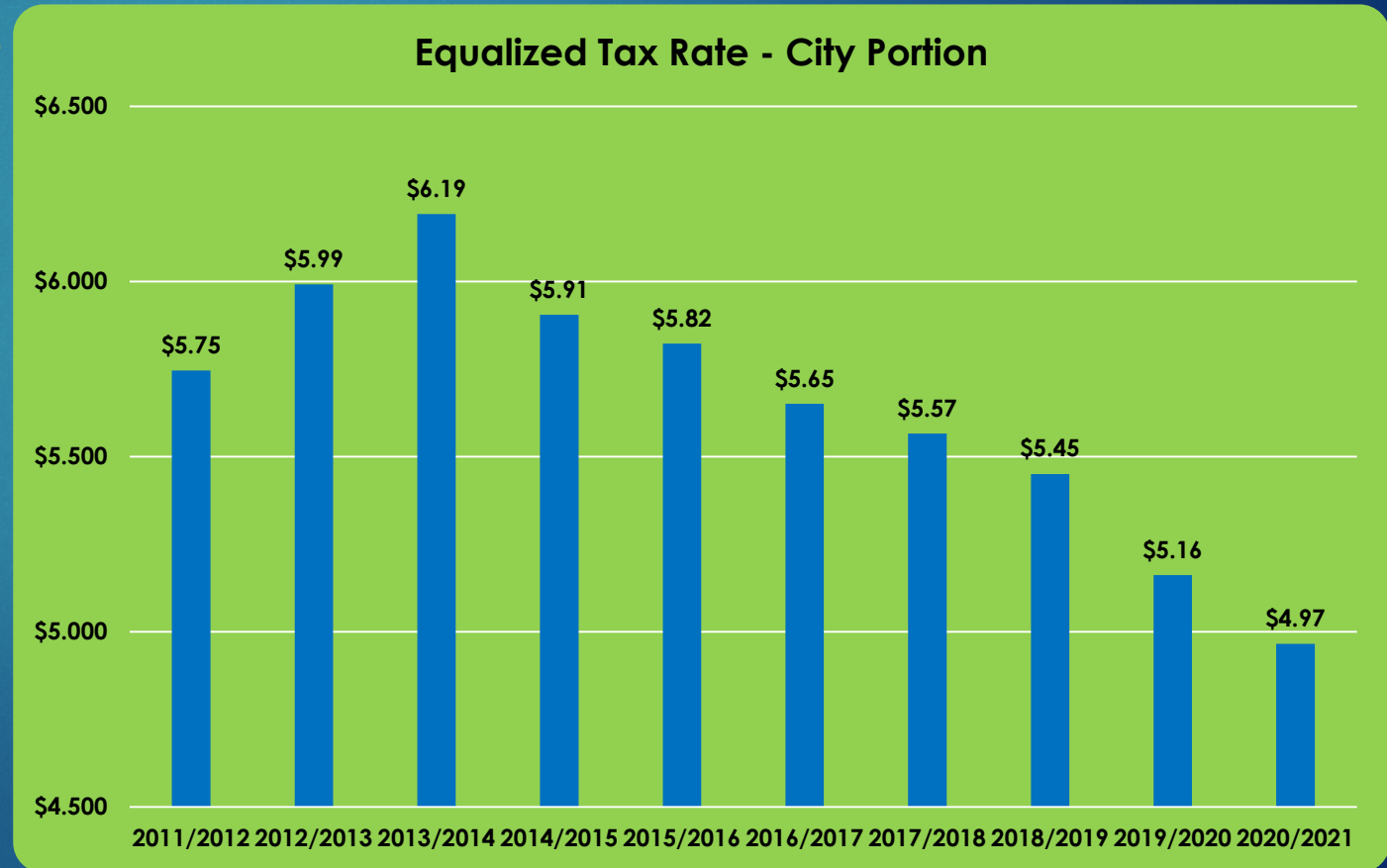
Major Highlights of the 2021 Recommended Budget

- *All currently provided City services are maintained with no reduction in staffing*
- *Levy increase of \$176,200 – Increase only to the extent of new growth, which does not increase the overall tax burden to property owners*



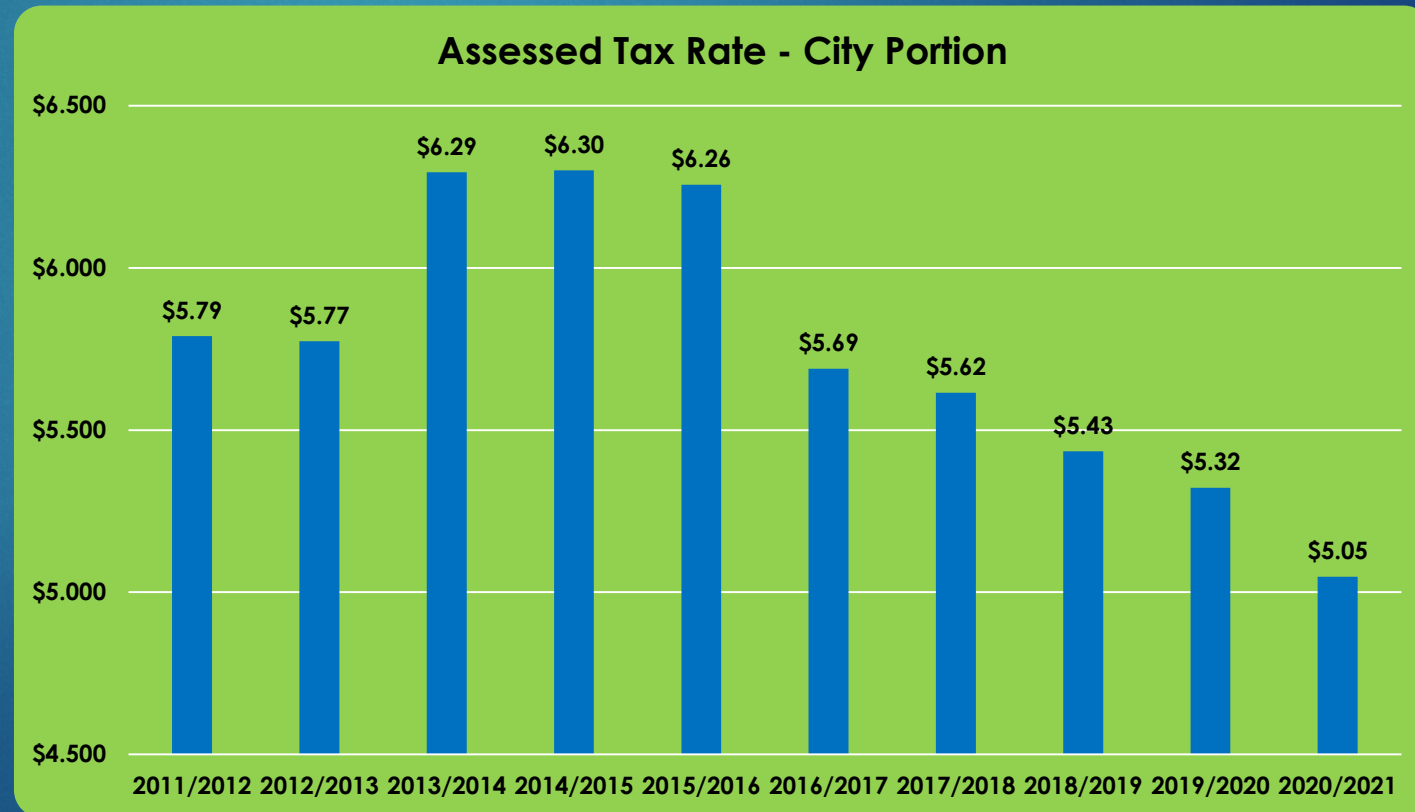
Major Highlights of the 2021 Recommended Budget

- **2021 City equalized tax rate of \$4.97 per thousand dollars of value – a \$0.19 decrease compared to the 2019 equalized rate**



Major Highlights of the 2021 Recommended Budget

- **2021 City assessed tax rate is estimated at \$5.05 per thousand dollars of value, a \$0.27 decrease compared to the 2019 assessed tax rate**



Major Highlights of the 2021 Recommended Budget

- *Reduction in State shared revenue/barely qualify for expenditure restraint program/tax rate near \$5.00/thousand dollars of value*
- *Fully balanced budget with no planned use of fund balance*
- *General Fund details*
 - *Revenues increased by \$239,838*
 - *Expenditures decreased by \$23,952, net of restricted contingency and transfers out*
 - *Personnel costs decreased by \$232,031, no new position in Administration, allocating costs to Utilities and Health Insurance Fund, and a credit for health insurance savings*

Major Highlights of the 2021 Recommended Budget

- *Funded reserve for succession planning, to maintain required staffing levels, without long periods of vacancy*
- *Goal to lower overall plan costs, adjustments to health insurance benefit to shift the focus to managing claim costs and engaging employees to do the same*
- *Hotel/Motel tax adjusted from 6% to 8%, impact on Tourism only, approximately \$121,000*
- *\$16 Million of borrowing - \$2 Million for capital needs, per long-term plan; \$9 Million for TIDs, for infrastructure and incentives; \$3 Million in Sewer debt, for lift station; and \$2 Million in Water debt, for new water tower*

Major Highlights of the 2021 Recommended Budget

- *No change in the solid waste fee is projected in 2021*
- *A sewer rate increase is expected, amount to be determined, due to the construction of a new lift station*
- *A major update to the City's Unified Development Ordinance (UDO), which defines the zoning, development, and land division regulations*
- *Additional large capital items - 'new' snow plow, more spending in Parks, windows at Fire Station 1*

2021 Budget and Operational Focus

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

2021 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 funds carried over from 2020*
- *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

- *Civic Celebrations*
- *St. Martin's Fair*
- *Health Grants*

Internal Service Fund

- *Self-Insurance Fund – still working through recommended changes with the Personnel Committee, next meeting on Monday, 9/21, will deliver draft budget as soon as possible*

Debt Service Fund

- *Debt service levy = \$1,100,000, same as 2020 Budget*
- *Multiple funding sources for existing general obligation debt: general City funds, Water, Sewer, TID*
- *Expecting debt shortfall in TID – received confirmation from developer that it will be paid*

Next Steps / Timeline through Council Consideration on November 17th

Finance Committee review of the budget - four meetings planned:

- *Tuesday, September 22nd, 4 PM - Introduction of 2021 Budget for all funds, revenues and expenditures, cost allocations, personnel head counts & additions*
- *Thursday, September 24th, 4 PM - Capital & Operating Budget - Public Safety, Health, and Conservation & Development*
- *Tuesday, September 29th, 4 PM - Capital & Operating Budgets - Public Works, General Government and Recreation*
- *Thursday, October 1st, 4 PM - TIDs, Solid Waste, Sewer, Debt Service, Total Tax Levy and Tax Rates*

Next Steps / Timeline through Council Consideration on November 17th - Continued

- *Council discussion/decision regarding Finance Committee recommendations and initial changes to the budget - October 6th*
- *Hearing Notice published on October 28th, on the then current budget details*
- *Continued deliberation of the proposed budget - October 6th - November 17th*
- *Council consideration of the 2021 Proposed Budget - November 17th*

Staff will be as responsive as possible in order to achieve a final 2021 Budget on November 17th

Questions?