Common Council

335 South Broadway

De Pere, WI 54115
http://www.de-pere.org

Special Meeting

Revised Agenda

Thursday, February 19, 2015 | **4:30 PM** | **De Pere City Hall Council Chambers**

Pursuant to Wisconsin Statutes 19.84, Notice is hereby given to the public that a meeting of the **Common Council** of the City of De Pere will be held on **February 19, 2015** at **4:30 PM** in the **De Pere City Hall Council Chambers, 335 S. Broadway Street, De Pere, WI 54115.**

This meeting can be viewed LIVE on TW Cable Channel 4; AT&T U-verse Channel 99; www.depere.tv. This meeting is also rebroadcast on TV throughout the week and available on demand at www.depere.tv.

Agenda for Said Meeting

1. Roll Call
2. Pledge of Allegiance
3. Public Comment upon matters not on Agenda or Other Announcements
4. Discuss Projected Year End Results for 2014 Budget.
5. Discuss Status Of 2015 Adopted City Budget.
6. Discuss Projected 2016-2025 Budget Model Trends.
7. Discuss Preliminary Proposed 2015-2017 State Budget Impacts.
8. Discuss Expenditure Policy Options.
9. Discuss Revenue Policy Options.
10. Discuss Overall Fiscal Policy Strategies.
11. Adjournment

Lawrence M. Delo
City Administrator

Any person wishing to attend this meeting who, because of disability, requires special accommodations should contact the Clerk-Treasurer’s office at 339-4050 by Noon, the previous day so that arrangements can be made.

Agenda Sent To:

Alderpersons

City Administrator

Mayor

Department Heads

TV, Newspapers & Radio Stations

Kress Family Library

De Pere Chamber of Commerce

City of De Pere, Wisconsin

Request For Common Council Action

MEETING DATE: February 19, 2015

DEPARTMENT: Common Council

FROM: Lisa Renier

SUBJECT: Discuss Projected Year End Results for 2014 Budget.

ATTACHMENTS:

- Discuss Fiscal Strategies Memo (PDF)
- 2015 Fiscal Strategies Special Council Meeting Memo (DOCX)

MEMORANDUM

TO: Mayor & City Council

FROM: Larry Delo, City Administrator

DATE: February 11, 2015

SUBJECT: Special Council Meeting to Discuss Fiscal Strategies

The Mayor has scheduled a special meeting of the city council to discuss fiscal strategies for the City per a recommendation of the administrative staff. The intent of this special council meeting is to discuss the following issues: 1) The existing fiscal condition of the City; 2) Budget model trends; 3) Possible State budget impacts; 4) Future expenditure options; 5) Future revenue options; and 6) The development of fiscal strategies to positively manage the future fiscal position of the City.

Joe Zegers, the City's Finance Director will present information regarding the projected 2014 year end results and the status of the current fiscal year. I will provide a brief recap of the City's budget model (see attachment) to include additional information about projected revenue and expenditure trends. I will also discuss the latest update from the League of Wisconsin Municipalities regarding fiscal impacts municipalities may experience related to the proposed 2015-2017 State budget. The City Council and staff will then be able to share ideas and options for reducing or mitigating expenditures and for increasing or stabilizing revenues in future budgets.

The final step of the meeting is to discuss ideas for possible fiscal policy directives that can be reviewed and developed for future implementation. Please contact me if you need any additional information prior to the special council meeting scheduled for Thursday, February 19th at 4:30 PM.

MEMORANDUM

TO: Mayor & City Council

FROM: Joe Zegers, Finance Director

DATE: February 12, 2015

SUBJECT: Projected 2014 Year End Results & 2015 Budget Status

I have preliminarily reviewed the general fund financial activity as of December 31, 2014 including both balance sheet and statement of revenues, expenditures and changes in fund balance for the general fund. Please note that the review is considered incomplete and not audit ready as estimates were needed for some receivables and payables as all invoices and bills pertaining to 2014 have not yet been received by customers or written to vendors.

The preliminary review shows that the general fund balance at December 31, 2014 was projected to decrease by approximately $200,000 for 2014 due to Non-Lapsing Fund carryovers from 2013 of $217,038. The primary component of the Non-Lapsing Funds was $159,000 for the ambulance purchase. The review shows that the general fund total fund balance will decrease approximately $200,000 for 2014. As a result, the general fund balance at December 31, 2014 is estimated to be approximately $5,600,000. The audited fund balance was $5,794,823 at December 31, 2013.

Projected revenues were approximately $300,000 short of the budgeted amount of $15,926,091 primarily due to interest on special assessments ($42,000), health revenues ($61,000), court revenues ($65,000), ambulance ($58,000), and property sales ($49,000). Projected expenditures were approximately $100,000 less than the budgeted amount of $15,926,091 due mainly due to the health department positive variance of roughly $70,000 due primarily to the vacancy of the sanitarian position in 2014.

As indicated above, the City will have an estimated total general fund balance of $5,600,000 at December 31, 2014 which is 34.3% of 2015 budgeted expenditures of $16,325,437. Our unreserved general fund balance is estimated to be around $5,075,000 at December 31, 2014 which is 31.1% of budgeted 2015 expenditures. The unreserved percentage of 31.1% of fund balance to following year expenditures compares favorably to the Council approved policy range of 25%-35% as we head into 2015.

City of De Pere: Budget Projection Model 2015 - 2025

(Property Revaluation completed in 2021)

LMD
12/01/2014

	2014 Budget	2015 Budget	2016 Projected	2017 Projected	2018 Projected	2019 Projected	2020 Projected	2021 Projected	2022 Projected	2023 Projected	2024 Projected	2025 Projected
EXPENDITURES												
General government	1,673,070	1,623,713	1,654,413	1,675,820	1,703,959	1,733,101	1,765,663	1,818,633	1,847,769	1,901,155	1,950,958	2,001,695
Public safety	7,928,038	8,264,511	8,418,785	8,524,577	8,665,209	8,810,887	8,974,174	9,243,399	9,388,502	9,659,511	9,911,692	10,168,524
Public works	2,457,285	2,447,715	2,492,328	2,521,937	2,562,178	2,603,881	2,650,908	2,730,435	2,771,672	2,851,546	2,925,522	3,000,820
Sanitation	580,135	636,300	648,184	656,340	667,176	678,400	690,980	711,709	722,892	743,759	763,179	782,958
Health & social services	447,811	484,980	494,126	500,482	508,856	517,528	527,225	543,042	551,706	567,643	582,503	597,641
Leisure activities	2,048,843	2,079,386	2,118,352	2,145,210	2,180,790	2,217,644	2,258,913	2,326,681	2,363,432	2,431,673	2,495,222	2,559,949
Econ Development & GIS	234,264	262,711	266,990	269,355	273,008	276,803	281,221	289,658	293,263	301,651	309,254	316,974
Gen. gov. capital outlay	611,045	523,627	600,000	700,000	825,000	950,000	1,050,000	1,150,000	1,250,000	1,300,000	1,300,000	1,300,000
Contingency fund	0	0	0	0	0	0	0	0	0	0	0	0
Equipment Replacement Fund	600,000	700,000	700,000	750,000	850,000	950,000	1,050,000	1,150,000	1,250,000	1,300,000	1,300,000	1,300,000
Sub-total expenditures	**16,580,491**	**17,022,943**	**17,393,178**	**17,743,720**	**18,236,175**	**18,738,244**	**19,249,084**	**19,963,557**	**20,439,235**	**21,056,938**	**21,538,330**	**22,028,560**
% of Increase in Operations Exp.	***0.77%***	***2.80%***	***1.86%***	***1.25%***	***1.64%***	***1.67%***	***1.85%***	***3.00%***	***1.56%***	***2.89%***	***2.61%***	***2.59%***
Capital proj. & equip. funds	941,276	941,276	941,276	941,276	941,276	941,276	941,276	941,276	941,276	941,276	941,276	941,276
Debt service fund	1,500,164	1,657,282	1,712,588	1,835,363	1,828,378	1,766,870	1,902,596	2,407,248	2,624,283	2,830,722	2,677,526	2,462,547
Municipal TID portion of levy	679,341	831,415	856,357	882,048	908,510	935,765	963,838	992,753	1,022,536	1,053,212	1,084,808	1,117,352
TOTAL EXPENDITURES	**19,701,272**	**20,452,916**	**20,903,399**	**21,402,407**	**21,914,339**	**22,382,154**	**23,056,793**	**24,304,833**	**25,027,329**	**25,882,147**	**26,241,940**	**26,549,735**
Projected Budget Cuts Applied			180,117	282,254	221,356	219,767	194,307	0	254,228	20,474	72,316	77,920
REVENUES BY SOURCE												
Taxes other than property	534,220	555,320	571,980	589,139	606,813	625,018	643,768	663,081	682,974	703,463	724,567	746,304
Special assessments	50,000	30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	39,143	40,317
Licenses & permits	513,357	530,485	546,400	562,792	579,675	597,066	614,978	633,427	652,430	672,003	692,163	712,927
Intergovernmental	2,986,333	3,051,932	3,051,932	3,051,932	3,051,932	3,051,932	3,051,932	3,051,932	3,051,932	3,051,932	3,051,932	3,051,932
Public charges for service	1,581,068	1,713,498	1,764,903	1,817,850	1,872,386	1,928,557	1,986,414	2,046,006	2,107,386	2,170,608	2,235,726	2,302,798
Intergovernmental charges	1,082,998	1,089,215	1,121,891	1,155,548	1,190,215	1,225,921	1,262,699	1,300,580	1,339,597	1,379,785	1,421,179	1,463,814
Fines & forfietures	253,000	199,500	205,485	211,650	217,999	224,539	231,275	238,213	245,360	252,721	260,302	268,111
Miscellaneous	225,050	200,576	206,593	212,791	219,175	225,750	232,523	239,498	246,683	254,084	261,706	269,557
Prior year surplus	0	0	0	0	0	0	0	0	0	0	0	0
Employee WRS Contribution	0	0	0	0	0	0	0	0	0	0	0	0
Other financing sources	948,500	1,048,500	1,048,500	1,018,500	1,118,500	1,218,500	1,318,500	1,418,500	1,518,500	1,568,500	1,568,500	1,568,500
Sub-total revenues	**8,174,526**	**8,419,026**	**8,548,584**	**8,652,028**	**8,889,476**	**9,131,048**	**9,376,866**	**9,627,059**	**9,881,758**	**10,091,098**	**10,255,218**	**10,424,261**
Sub-Total Property Tax Levy (incl. TID portion of levy)	**11,462,107**	**12,033,890**	**12,354,816**	**12,750,378**	**13,024,862**	**13,251,107**	**13,679,927**	**14,677,774**	**14,677,774**	**14,677,774**	**14,677,774**	**14,677,774**
TOTAL REVENUES	**19,701,272**	**20,452,916**	**20,903,399**	**21,402,407**	**21,914,339**	**22,382,154**	**23,056,793**	**24,304,833**	**25,027,329**	**25,882,147**	**26,241,940**	**26,549,735**
General Fund & Debt Service Levy	9,302,389	9,561,199	9,857,182	10,177,054	10,325,077	10,424,066	10,724,813	11,593,745	11,931,760	12,496,562	12,660,639	12,766,846
Street Referendum Levy	941,276	941,276	941,276	941,276	941,276	941,276	941,276	941,276	941,276	941,276	941,276	941,276
Equipment Replacement Levy	600,000	700,000	700,000	750,000	850,000	950,000	1,050,000	1,150,000	1,250,000	1,300,000	1,300,000	1,300,000
Exempt TID Tax Levy	683,081	831,415	856,357	882,048	908,510	935,765	963,838	992,753	1,022,536	1,053,212	1,084,808	1,117,352
Est . Property Tax Levy Needed	**$ 11,526,746**	**$ 12,033,890**	**$ 12,354,816**	**$ 12,750,378**	**$ 13,024,862**	**$ 13,251,107**	**$ 13,679,927**	**$ 14,677,774**	**$ 15,218,147**	**$ 15,863,626**	**$ 16,059,299**	**$ 16,198,050**
Allowable Property Tax Levy	**$ 11,706,448**	**$ 12,033,890**	**$ 12,354,816**	**$ 12,750,378**	**$ 13,024,862**	**$ 13,251,107**	**$ 13,679,928**	**$ 14,715,993**	**$ 15,218,147**	**$ 15,863,625**	**$ 16,059,299**	**$ 16,198,049**
Property Tax Levy Cap Variance	**$ 179,702**	**$ -**	**$ 0**	**$ (0)**	**$ (0)**	**$ 0**	**$ 0**	**$ 38,219**	**$ (0)**	**$ (0)**	**$ 0**	**$ (0)**
Property Tax Levy Increase %	**5.46%**	**4.40%**	**2.67%**	**3.20%**	**2.15%**	**1.74%**	**3.24%**	**7.57%**	**3.41%**	**4.24%**	**1.23%**	**0.86%**
Assessed value	**1,813,900,500**	**1,842,558,100**	**1,860,699,126**	**1,878,828,769**	**1,896,939,318**	**1,915,022,758**	**1,931,571,427**	**2,106,453,705**	**2,126,254,370**	**2,145,347,266**	**2,163,672,107**	**2,181,165,626**
Tax rate	**$6.35**	**$6.53**	**$6.64**	**$6.79**	**$6.87**	**$6.92**	**$7.08**	**$6.99**	**$7.16**	**$7.39**	**$7.42**	**$7.43**
% increase tax rate	**2.96%**	**2.78%**	**1.67%**	**2.21%**	**1.18%**	**0.78%**	**2.35%**	**-1.36%**	**2.45%**	**3.31%**	**0.38%**	**0.06%**
Equalized value	**1,758,302,800**	**1,834,327,100**	**1,871,013,642**	**1,908,433,915**	**1,946,602,593**	**1,985,534,645**	**2,045,100,684**	**2,106,453,705**	**2,169,647,316**	**2,234,736,736**	**2,301,778,838**	**2,370,832,203**
Equalized Tax rate	**$6.56**	**$6.56**	**$6.60**	**$6.68**	**$6.69**	**$6.67**	**$6.69**	**$6.97**	**$7.01**	**$7.10**	**$6.98**	**$6.83**
% increase tax rate	**2.38%**	**0.07%**	**0.65%**	**1.18%**	**0.15%**	**-0.26%**	**0.23%**	**4.17%**	**0.66%**	**1.21%**	**-1.72%**	**-2.07%**
Begin yr. surplus fund balnce	5,794,823	5,794,823	5,794,823	5,794,823	5,794,823	5,794,823	5,794,823	5,794,823	5,794,823	5,867,399	5,939,975	6,012,551
End year surplus fund bal.	**5,794,823**	**5,794,823**	**5,794,823**	**5,794,823**	**5,794,823**	**5,794,823**	**5,794,823**	**5,794,823**	**5,867,399**	**5,939,975**	**6,012,551**	**6,085,127**
Actual change fund balance	0	0	0	0	0	0	0	0	0	0	0	0
Required GF Undesignated Balance 20%	$ 3,316,098	$ 3,404,589	$ 3,478,636	$ 3,548,744	$ 3,647,235	$ 3,747,649	$ 3,849,817	$ 3,992,711	$ 4,087,847	$ 4,211,388	$ 4,307,666	$ 4,405,712
Shortfall GF Undesignated Balance 20%	$ (2,478,725)	$ (2,390,234)	$ (2,316,187)	$ (2,246,079)	$ (2,147,588)	$ (2,047,174)	$ (1,945,006)	$ (1,802,112)	$ (1,779,552)	$ (1,728,587)	$ (1,704,885)	$ (1,679,415)
	35%	34%	33%	33%	32%	31%	30%	29%	28%	28%	28%	27%

City of De Pere, Wisconsin

Request For Common Council Action

MEETING DATE:	**February 19, 2015**
DEPARTMENT:	**Common Council**
FROM:	**Lisa Renier**
SUBJECT:	**Discuss Overall Fiscal Policy Strategies.**