

Village of Mount Horeb

2018 Budget

Duluth Trading Corporate Headquarters



Hoff Apartments



WWTP Expansion, photo taken by Joey Godiska



Contents

| | |
|--|----|
| Table of Contents ----- | 2 |
| Village Administrator’s Budget Message----- | 4 |
| Elected Officials----- | 7 |
| Village Officials----- | 8 |
| Chart of Budget Funds----- | 9 |
| Village Fund Definitions, Highlights, and Balances ----- | 10 |
| General Fund ----- | 10 |
| Park Development Fund ----- | 11 |
| Terrace Tree Fund----- | 11 |
| Highway 92 Fund ----- | 12 |
| Swimming Pool Fund ----- | 12 |
| Future Streets Fund ----- | 12 |
| Cable TV Fund----- | 12 |
| SW Dane (Outreach/Nutrition) Fund----- | 13 |
| Library Fund----- | 13 |
| Employee Retirement Insurance Fund ----- | 14 |
| Tourism Promotion Fund ----- | 14 |
| Revolving Loan Fund ----- | 14 |
| General Debt Service Fund ----- | 14 |
| TID Debt Service Fund ----- | 15 |
| Capital Projects Fund ----- | 15 |
| TID #3 Fund ----- | 17 |
| TID #3 Amendment Fund----- | 17 |
| TID #4 Fund ----- | 18 |
| TID #5 Fund ----- | 18 |
| Electric Utility Fund ----- | 18 |
| Water Utility Fund ----- | 19 |

| | |
|--|----|
| Sewer Utility Fund ----- | 20 |
| Charts & Graphs----- | 21 |
| Village Debt----- | 21 |
| TID Increment Values----- | 23 |
| State Transportation Aid ----- | 24 |
| Five-Year Capital Improvement Plan ----- | 25 |
| Levy----- | 26 |

Village Administrator Budget Message

This recommendation of the 2018 Village budget is the result of significant work on the part of Village staff and the Village Finance & Personnel Committee. Department heads met with the Village Administrator to discuss their budget recommendations so that staff can continue to provide the same high level of service to our residents, businesses, and visitors. The Finance & Personnel Committee met throughout the month of October to formulate a budget that protects the long-term interests of all Village taxpayers by keeping tax rates low, maintaining our high-quality service levels, maintaining healthy fund balances, accomplishing Village set goals, and managing our general obligation debt over the next five years.

By looking at the long-term financial affects of today's budgeting decisions, Board members are able to analyze whether their budget decisions are in the best interests of the community and whether those decisions provide for long-term financial stability. Members of the Finance & Personnel Committee and the Village Board accomplish this objective through a use of various budget-related methodologies that show revenues and expenditures five years into the future. By analyzing needs over the next five years and comparing them with realistic revenue expectations, we are able to determine if the decisions we make in 2018 are sustainable. The 2018 Budget was the first budget where we started to see some affects our recent growth with several departments requesting additional staff in their 5-year plans. The current proposed 2018 budget includes one of those requests; the funding of an additional police officer. This officer will allow greater flexibility in shift coverage and should reduce overtime at the cost of \$90,000 for salary and benefits.

The 2017 total assessed value in the community is \$630,754,500; an increase of \$10,273,502 over 2016. Net new construction for 2017 was \$8,109,000 or 1.23% of our

equalized value from 2016. The allowable levy increase for 2018 is 1.23%; excluding debt service requirements.

The 2017 budget again qualified us for the State's Expenditure Restraint Payment in 2018. The formula for Expenditure Restraint Payment is 60% of the net new construction plus CPI-U Midwest September. The consumer price index number for September is 2.1%, up from 0.93% in 2016. Adding the 0.738% for 60% of net new construction to this number and we can calculate our expenditure restraint requirement to be at or below 2.8%. Our actual number is currently at 1.25%. Ideally, we would like to max out our increase under the ERP but with a levy limit that is lower than the ERP increase this is extremely difficult.

Health insurance costs are increasing for 2018 by 4% and dental insurance rates are remaining flat.

The Village is fortunate to have a good group of employees overall including many long-term dedicated employees. This budget includes a 1% wage increase for a majority of the employees, with two employees receiving larger increases to keep them in line with comparable positions.

This budget document explains the uses for numerous Village funds, it lists each expected fund balance in both January and December of 2018, and it provides the 2018 highlights for each fund. The overall levy increase for 2018 is 6.22%; with the largest increase being for debt service. The budgeted change in the mil rate for 2018 is projected to 4.49% and then stay relatively flat 2019 - 2022. The budget methodology for predicting future changes in the levy and assessed value uses an annual 1.00% increase due to new construction. With the recent increases in new construction since 2014, it is probable that actual new construction will exceed the conservative estimate. If this occurs, there will be additional positive benefits to future budgets.

The Finance and Personnel Committee met on October 25th for their final review of the 2018 budget and are recommending the proposed budget for approval. The Village Board will hear a presentation on the 2018 budget on November 1, 2017 and set a public hearing for the 2018 budget and the 2018 - 2022 Capital Improvement Plan (CIP) for a special meeting on November 29, 2017 at 6:00 pm. Public comments on the budget are welcome at the public hearing and anyone with questions or comments are encouraged to contact the Village Administrator prior to the public hearing. You can reach the Village Administrator at 437-6884 x 109 or nic.owen@mounthorebwi.info. Following the November public hearing, the Board will vote to approve the 2018 budget and the 2018 - 2022 Capital Improvement Plan.

Elected Officials

VILLAGE PRESIDENT: Randy Littell

VILLAGE TRUSTEES: Ryan Czyzewski
Steve Grindle
Brenda Monroe
Mike Goltz
Cathy Scott
Vaughn Pakkala

MUNICIPAL JUDGE: Jody Morey

Village Officials

Administrator: Nicholas Owen ----- 437-6884 ext 109
Assistant Administrator: Kathy Hagen ----- 437-6884 ext 108
Assessor: Accurate Appraisal----- 1-800-770-3927
Attorney: Stafford Rosenbaum Law Office ----- 259-2618
Building Inspector: General Engineering----- 437-6884 ext 116
Chief of Police: Jeff Velloff----- 437-5522
Civil Defense Director: Craig Brinkmann----- 437-5571
Electrical Inspector: General Engineering ----- 437-6884 ext 116
Engineer: Rob Wright ----- 833-7373
Court Clerk: Jean Culberson ----- 437-7748
Clerk/Deputy Treasurer: Alyssa Gross ----- 437-6884 ext 104
Electric & Water Superintendent: Dave Herfel----- 437-3300
Finance Director: Cheryl Sutter----- 437-6884 ext 106
Fire Chief: Craig Brinkmann----- 437-5571
Librarian: Jessica Williams----- 437-5021
Outreach Director: Lynn Forshaug----- 437-6902
Parks & Urban Forestry Director: Jeff Gorman----- 437-7190
Public Broadcasting Coordinator: Diane Stojanovich----- 437-6884 ext 113
Public Works Director: Laurel Grindle ----- 437-3351
Recreation Director: Jill Dudley----- 437-3400
Wastewater Superintendent: John Klein ----- 437-3101

Chart of Budget Funds

The following funds are active with the Village's 2018 budget:

| | |
|------------------------------------|-----------------------------|
| General Fund | Cable TV Fund |
| Terrace Tree Fund | Park Development Fund |
| Swimming Pool Fund | Highway 92 Improvement Fund |
| SW Dane (Outreach/Nutrition) Fund | Future Streets Fund |
| Employee Retirement Insurance Fund | Library Fund |
| General Debt Service Fund | Revolving Loan Fund |
| TID Debt Service Fund | Capital Projects Fund |
| TID #3 Fund | TID #3 Amendment Fund |
| TID #4 Fund | Electric Department Fund |
| TID #5 Fund | Water Department Fund |
| Tourism Promotion Fund | Sewer Department Fund |

Village Funds Definitions, Highlights, and Balances

General Fund: The General Fund includes the operating budget for most Village departments. At the end of each fiscal year, balances in the fund become part of the General Fund Balance. Village policy requires any general fund balance at the end of the fiscal year that is budgeted at more than 25% of the next year's budgeted expenditures, to transfer to the capital projects fund. This money is then used to either offset existing loan payment needs or to help pay cash for future capital projects.

Budget highlights for this fund include:

- The levy allocated to the general fund is up 9.39% or \$224,084
- Utility payment-in-lieu-of-taxes (PILOT) payments are down 5.4% or \$23,211
- State transportation aid payments are down by 5.4% or \$22,846
- Total intergovernmental revenue is down by \$22,955
- Total licenses and permit revenue is up by \$28,149 largely due to increased building permits.
- Total revenues for the GF are up \$295,858 or 4.58%.
- The fire protection budget increased by \$24,931 or 5.72%.
- The Village provides funding to three outside organizations. The three organizations receiving donations include the youth center, the chamber, and the economic development corporation. Funding for the youth center is budgeted to reduce to \$10,000, the chamber is budgeted to remain at \$5,000 and the EDC is budgeted for \$57,500 for 2017. \$50,000 of EDC funding comes from the Electric Utility. This will be the second year the Village will be collecting a room tax that would provide approximately \$80,000 to the Chamber to enhance the promotion of the Village.

- The police patrol budget includes an additional \$90,000 for wages and benefits for a new officer. The new officer will be used as a float position to help fill vacant shifts which should help to reduce overtime.
- The budgeted increase in expenditures from the 2017 budget is 1.25%. We are budgeting to draw down fund reserves by just over \$8,000, which will leave the general fund unassigned and unrestricted reserve balance at \$989,583 or 21.46% of expenditures. This amount falls within the approved policy range of 20% - 25%. Budgeted reserves for 2019 - 2022 show reserves remaining above 20%.

Park Development Fund: The Village created the “Parkland” Development Fund when the Village implemented a fee to developers who create residential lots. The fee is used to offset the increased demand on park services from the increase in residents. There is an impact fee per new house constructed. The Village collects this fee prior to issuing a building permit.

In 2018, \$22,950 is budgeted for park equipment and improvements. With the additional apartments and single-family homes the estimated fund balance is projected to grow from \$26,232 at the start of 2018 to \$49,182 at the end of the year.

Terrace Tree Fund: The Village requires developers to contribute to the Terrace Tree Fund for the planting of one tree every 50 feet in new subdivisions. State law permits developers to plant these trees themselves; however, given the quantity discount prices that the Village receives, it is likely developers will continue to contribute to this fund.

The budget includes \$38,554 for equipment and tree purchases. Future years have the fund budgeted to cover half of the cost for a tree inventory and \$40,000 toward a \$200,000 expenditure in 2020 for a bucket truck. This fund is budgeted to remain in the black through 2022.

The estimated fund balance at the start of 2018 is \$154,391 and the projected balance at the end of the year is \$116,337.

Highway 92 Improvements Fund: The Village established this fund to collect money from the developers of the Vista Ridge and Golf View subdivisions to cover future downstream storm sewer improvements necessitated by these developments. No money is budgeted to be spent in 2018.

The estimated fund balance at the start of 2018 is \$101,915 and the estimated ending balance is \$102,215.

Swimming Pool: The financial position of the pool fund is still strong. The levy will decrease by \$3,000 for 2018. The levy is projected to remain stable through 2022. The Parks Committee reviews the financials for the pool annually and determines if changes are needed in the fee structure.

The estimated 2018 starting balance is \$39,317 and the expected ending balance is \$22,867.

Future Streets Fund: The Village established this fund to collect money from developers for street improvements, which would likely be necessary in the future but were not required at the time of platting. The fund includes money collected for completing streets where temporary turnarounds will be removed for future street continuations. No money is budgeted to be spent in 2018.

The estimated starting balance in the fund is \$81,745 and the expected ending balance is \$81,995.

Cable TV Fund: The Cable TV Budget includes \$5,000 for the purchase of a new digital camera. The starting balance for this fund is \$40,084 and the expected ending balance

is \$49,151. After the slight fund balance reduction in 2017, the balance is projected to continue to grow from 2018-2022. The growing balance will allow for the funding of future anticipated capital equipment purchases.

SW Dane (Outreach/Nutrition) Fund: The Village collaborates with several neighboring communities to offer area seniors a place for nutritional assistance, meals, and other important services.

The Village will levy \$27,887 in 2018 to fund operations; an increase of \$1,000 over 2017. The County contribution is expected to increase by \$6,000 for 2018. The estimated starting fund balance is \$2,608 and the estimated ending balance is \$7,570. It is very important that a successful fundraising and donation campaign occur annually to help ensure this fund is financially viable for several years. Projected gradual increases in contributions from the Village and other member municipalities keep the fund balance positive through 2022.

Library Fund: The Village Board authorizes a tax levy for the library every year and then the Library Board has authority to determine how the money is spent. The Library receives funding from several sources. Library revenues for 2018 are budgeted to increase by 3.32%. The budgeted library fund balance is set to steadily decrease and without changes is projected to go negative in 2020. With the Village paying for all capital improvement costs, the library does not need a large fund balance; however, leaving some amount of money in the fund is appropriate in case of an unanticipated operating expense. In preliminary discussions with Library Director Williams we have discussed the Library maintaining a 10% fund balance to cover unexpected costs. Due to lower than budgeted expenditures, the actual drawdown of fund balance has been slower than projected over the last few years.

The budgeted starting fund balance is \$109,405 and the estimated ending balance is \$58,172. The ending amount is 8% of the library's operating expenses.

Employee Retirement Insurance Fund: The Village set up this fund several years ago to cover costs of benefits for qualified employees (those hired before August 2011). The benefit allows a portion of accumulated sick time to convert to cash upon retirement for use specifically to cover health premium costs.

This fund is budgeted to remain 100% funded after having levied \$20,000 into the fund to cover Village employee sick leave actuarial costs (including library and Outreach departments). The next few years we will need to increase the levy for this fund to remain fully funded.

The budgeted starting fund balance is \$332,556 and the estimated ending balance is \$328,306.

Tourism Promotion Fund: This fund was established in 2017 for the revenue and expenditures from the room tax. So far collections for 2017 seem in line with projections and we left them flat for 2018. We will know more about actual collections for the 2019 budget after a full year of collection. The Chamber of Commerce is the Village's designated room tax entity and receives 88% of the room tax funds which are used to promote the Village and generate more overnight stays. The Village keeps the remaining amount to cover administrative costs.

Revolving Loan Fund: The Village established this fund in 2010 to help promote economic development in the Village. The fund provided loans to two local businesses and the principal and interest repayments on those loans go into the fund's balance for future use. Both outstanding loans were repaid as of the spring of 2017 leaving a fund balance of \$272,173 available to loan out for projects.

General Debt Service Fund: This fund accounts for the debt payments due on Village loans. Because this fund is not associated with the state imposed levy limit, the Village

can increase the 2018 levy by 1.23% plus the amount needed to fund loan repayments. The Village Board understands the importance of maintaining high-quality public services and just as importantly, keeping taxes low. When funds are available the Village transfers certain available cash into this fund from the Capital Projects fund in order to reduce the levy needed to fund loan repayments. This action keeps property taxes much lower than they otherwise would be. Unfortunately, due to the constraints of levy limits we have eliminated the transfer to the Debt Service fund, requiring an increase in the Levy for debt service. The debt service levy will remain steady through 2022.

The estimated 2018 starting fund balance is \$23,351. The estimated ending balance is \$10,336.

TID Debt Service Fund: This fund accounts for debt issued for TID 3 and TID 4. Tax increment revenues pay for the majority of the payments due from the TID-related loans. A property tax levy makes up the difference between the loan payment and the available increment created within both of the TIDs.

The Village is required to maintain a certain fund balance each year to account for costs associated with prior payments for the TID #3 amendment fund. The balance in this fund is restricted until TID #3 is fully paid off. If TID #3 is in the black at the end of its life, the additional money in the TID #3 fund, up to the balance in this fund plus certain monies already reserved in the General Fund, will become unrestricted. The Village fully complies with this requirement.

The estimated 2018 starting balance is \$253,700. The estimated 2018 ending balance is \$325,869.

Capital Projects Fund: The Village annually funds various capital projects – projects that have a value of \$5,000 or more and that have a useful life of more than one year. This fund tracks all revenues and expenditures for those projects.

To reduce the levy increase for 2018, the Finance and Personnel Committee has recommended the following changes from the Departmental Capital requests:

- Delaying until 2019
 - Replacement of Parks Utility Vehicle, \$11,000;
 - Replacement of Recreation Minivan, \$30,000;
 - Replacement of Tennis Court Lights/Joint project with School, \$30,000;
 - Replacement of Municipal Building Flat Roof, \$35,000;
 - Replacement of Library HVAC, \$80,000.

Non-utility capital projects for 2018 include:

- Urban Service Amendment, \$35,000; This was originally budgeted in 2017 but has not occurred. We will carry this forward into 2018 and if it is needed it will be covered by fund balance.
- Emerald Ash Borer treatment, \$8,000;
- Pool painting, \$10,000;
- Replacing John Deere mower, \$26,000;
- Replace bathhouse showers, \$29,500
- Replace 2 water fountains, \$8,000; offset with \$5,000 from Frolic;
- New police vehicle, \$38,000;
- Street maintenance, \$100,000;
- John Deere Gator, \$12,000; offset with funding from Chamber and Garden Club;
- Re-carpet senior center; \$20,000;
- Third and final installment payment for the Norsk Golf Bowl Purchase, \$716,667;

Total non-utility capital projects in 2017 are \$1,049,667. Budgeted revenues include \$26,000 for the sale of village equipment, \$3,000 in transfers from other funds, \$11,000 in contributions from other organizations and a levy of \$249,000. The 2018 levy is 43% lower than in 2017.

The estimated 2016 starting balance is \$783,459 and the estimated ending balance is \$85,569. The starting fund balance is artificially high because the proceeds from the debt for the Norsk purchase are being held here until they are required to be paid out; the final payment will occur in 2018.

Utilities pay for their capital projects directly from their respective depreciation accounts.

TID 3 Fund: This fund manages revenues and expenses associated with Tax Increment District (TID) #3. The revenue typically comes from taxes paid within the specific TID jurisdiction, with additional revenues coming from a levy to cover a portion of the shortfall needed between the known debt payment and the revenues coming into the fund from increment created from the base value when the district was created. In addition to the levy, two local developers pay the remaining costs associated with the shortfall. The Village is responsible for 33.86% of the shortfall between the increment collected and any given year's annual debt payment on the loan(s) for the cost of projects already completed. Developers pay 66.14% of the shortfall.

The 2017 increment value in TID #3 is 26,982,100. The overall assessed value in TID #3 grew by \$2,176,200 or 8% in 2017.

For 201 the beginning fund balance will be \$13,814 but that will go negative by \$10,964 by year end. The fund balance will remain negative through 2022 and without significant new development will require the Village and developers to contribute towards the increment gap.

TID 3 Amendment Fund: In 2006, the Village approved an amendment to TID 3 and incurred additional expenses. It is unknown if the TID will be able to fully support repayment of these additional expenses (which will only happen after the original TID 3 fund fully covers all of its debt obligations throughout the life of the TID). If this occurs, then the District can remain open in order to repay the costs associated with this fund. Because of the nature of this fund, it will carry a negative balance.

The estimated fund balance at the start 2018 is -\$523,117 and at the end of 2018 - \$578,335.

TID 4 Fund: This fund manages the revenues and expenses associated with Tax Increment District #4. TID 4 is in good financial shape with an original estimated closing date for the district in 2025. The Village has one loan payment remaining in this TID. There is approximately \$200,000 remaining in the TID project plan for a future project as incentive to create jobs and increased assessed value in the district.

The estimated starting balance in this fund for 2018 is \$140,357 and the expected ending balance is \$191,441.

TID 5 Fund: TID 5 was created in August of 2016. The preliminary costs associated with this district are the costs of creation including planning and legal reviews. This district has already generated \$919,500 in increment or 4% growth. The Hoff apartments and Duluth Trading Headquarters projects will bring significant growth, and also incentive payments in the next few years. Additionally, the Village has approved 6 façade and building improvement grants totaling \$133,540.

Electric Utility: This fund is used for the operation of the Village's electric utility. The utility purchases power from WPPI Energy and distributes it to customers within and outside of the Village's corporate limits. Expenses include costs for maintaining two substations and 127 miles of primary distribution lines.

The estimated starting cash balance in the electric fund for 2018 is \$2,216,232 and the estimated ending balance is \$2,325,574. The electric utility's capital projects in 2018 are:

- 75% of Case skid steer replacement, \$26,250;
- Replace 2001 Digger Derrick, \$250,000;
- 50% of New mini-excavator, \$28,000;

The electric utility will pay cash for all of its 2018 capital projects.

Water Utility: This fund is for the operation of the Village's water utility. The water utility operates two water towers with 700,000 gallons of elevated water storage capacity, 600,000 gallons of ground level storage capacity, has over 231,000 linear feet of water mains, and operates four wells.

The estimated starting cash balance in the water fund for 2018 is \$772,727 and the estimated ending balance is \$792,076. The water utility's capital projects in 2018 are:

- 25% of Case skid steer replacement, \$8,750;
- Meter replacements, \$42,750;
- Tower #3 and #6 cleaning, \$8,400;
- System leak detection, \$4,200;
- 50% of New mini-excavator, \$28,000;
- Dump Truck Replacement, \$45,000;

The water utility will pay cash for all of its 2018 capital projects. In prior years the utility budgeted money for lead line replacements. The DNR and EPA have recommended that the Village not replace just our portion of the water service but rather replace the entire line to the house. The Utility is only responsible for the replacement from the main to the curb stop and home owners are often reluctant to replace the line from the curb stop to the house due to the expense. When a solution to this problem is found we will again budget for lead line replacements.

Sewer Utility: This fund is used for the operation of the Village's sewer utility. The utility operates the wastewater treatment plant, 236,782 feet of sewer main, and eleven lift stations.

Construction of the WWTP expansion is well underway and going well and we are on track for a late 2019 completion. Staff is continuing to work with the DNR to close the Clean Water Fund Loan application so we can begin draws to continue to pay the contractor and reimburse funds we have borrowed from to this point.

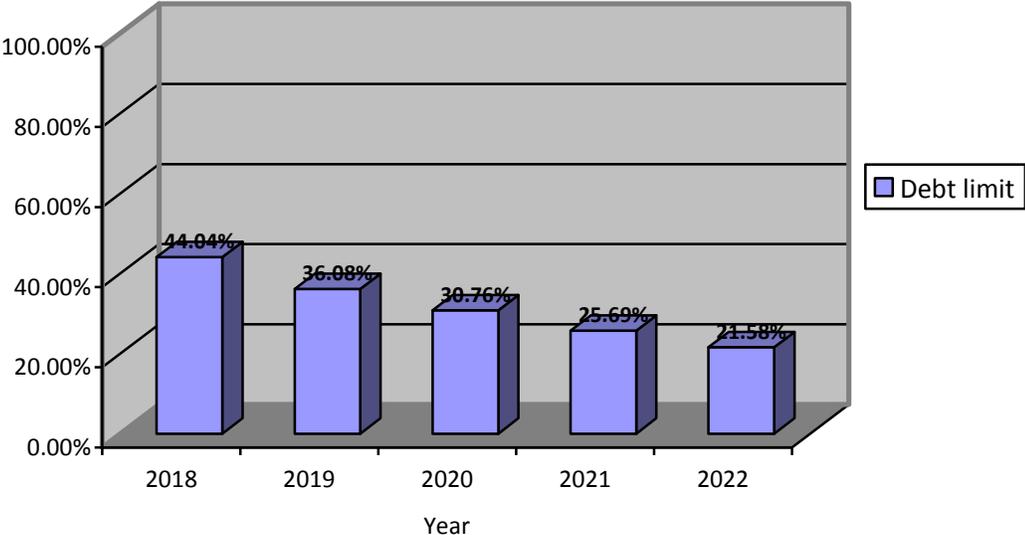
The estimated starting cash balance in the sewer fund for 2018 is \$1,891,259 and the estimated ending balance is \$1,836,500. The sewer utility's capital projects in 2018 are:

- Lift-station evaluation, \$30,000;
- Replacement of lawn tractor, \$8,500 was delayed to 2019 to better determine the mowing needs of the new facility;

The sewer utility will pay cash for all of its 2018 capital projects.

Charts & Graphs

Village Debt Limit by Year



Debt

Debt Types:

- General Obligation Debt – The defining feature of general obligation debt is the source that secures its repayment - an ad valorem tax levied on all taxable property within the limits of the municipality at the time the general obligation is issued. Chapter 67 of the Wisconsin statutes governs the issuance of various obligations generally known as general obligation bonds or notes.
- Revenue Debt – Revenue bonds and notes are payable from the revenues derived from the operation of the water, electric, or sewer utilities. These bonds are not secured by the full faith and credit of the taxing ability of the municipality and as such, they are generally considered a slightly higher risk to investors.
- The Village, like all municipalities in the State of Wisconsin, is required to borrow no more than 5% of its equalized assessed value within the community. This limit applies only to general obligation debt. The estimated 2017 equalized value is \$688,229,600.

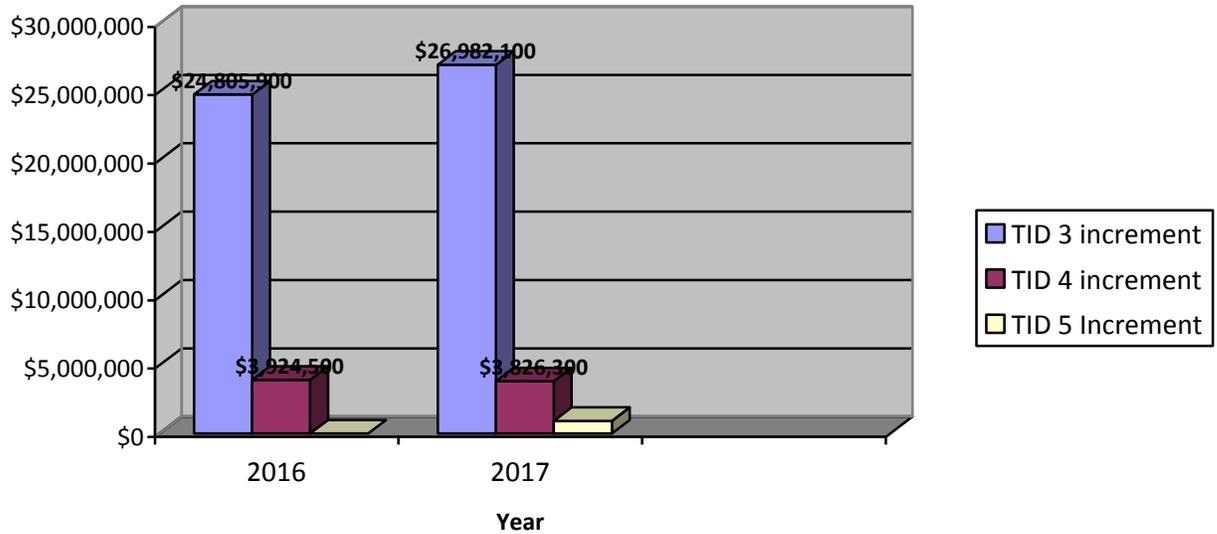
This means that the Village can legally borrow \$34,411,480. The Village will be at 40.44% of its debt limit in 2018 and 21.58% of its debt limit in 2022.

Debt Highlights:

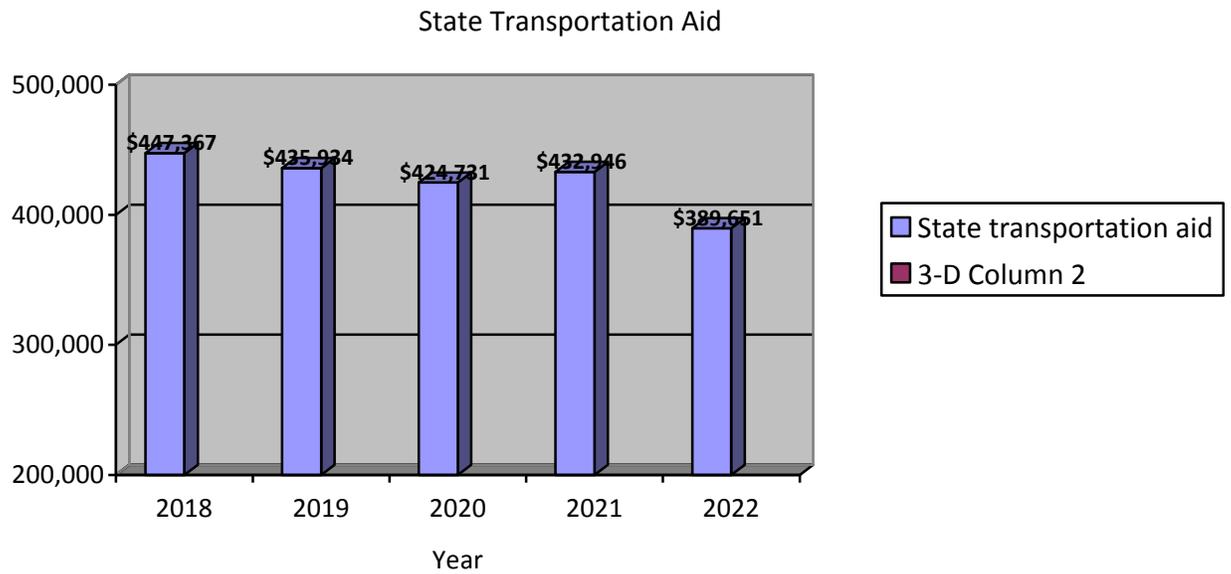
- Total sewer-related debt payments in 2018 are \$511,009. This is an increase from 2017 for the interest payments on the Clean Water Fund Loan for the WWTP project. This amount will jump to \$1,343,137 in 2020 when principal payments start.
- Total water-related debt payments in 2018 are \$186,450
- Total electric-related debt payments in 2018 are \$249,086.
- Total general Village-related debt payments in 2018 are \$1,640,752.
- Of the \$1,640,752 amount, \$1,036,874 is from the debt service fund and \$603,878 is from the TID debt service fund.
- Total general obligation debt service payments in 2018 are \$1,748,940. Total revenue debt service payments in 2018 are \$835,358.
- Total revenue debt for 2017 is \$16,847,858. This includes the borrowing for the new WWTF. Total General Obligation debt will be \$12,735,748.

Debt Forecast: The five-year financial forecast shows general obligation debt peaking with the large TID loan for the Duluth incentive and TID 5 infrastructure and the Public Safety Building. Revenue debt will increase as a result of the new wastewater treatment facility and peak in 2019.

TID Increment Values



- The increment value in the three tax increment districts (TIDs) has a direct effect on the amount of property tax levy required from taxpayers to cover any shortfall in the district for required loan payments. TID #4 has a good cash flow for its remaining life and some additional funding to help facilitate the right project that could bring additional value to the district. TID #3 has shown improvement over the last two years but could benefit greatly in the long-term from additional development. TID #5 is off to a good start with some big projects that we will not see the full value of until 2020.



- The State of Wisconsin provides financial aid for transportation-related projects based in part on a 6-year rolling average of actual road projects in the Village. The Village will see an increase in state transportation aid in 2017, and then funding will be slightly lower in 2018 through 2021. The Village is budgeting accordingly each year based on anticipated transportation aid revenues. Beginning in 2019 the Village will again be doing annuals street projects which increase the transportation aid and provide a more stable source of funding.

Five-Year Capital Improvement Plan

The Village completes a 5-year Capital Improvement Plan (CIP) to provide budget decision makers with a solid tool for planning for the future of the Village. Department heads provide the Village Administrator with detailed capital needs for their department. The Village projects capital needs for five years into the future. The 5-year CIP is a separate document and the Village Board will review it for approval apart from the operating budget.

The 5-year capital budget includes the following budgeted expenses for combined "Village" and "Utility" projects:

- \$812,850 in projects for 2018;
- \$1,426,200 in projects for 2019;
- \$1,706,600 in projects for 2020;
- \$1,673,850 in projects for 2021;
- \$3,339,700 in projects for 2022

The 2019, 2020, 2021 and 2022 budgets include \$750,000, \$1,175,000, \$800,000 and \$800,000 respectively for street reconstruction projects.

Levy

The Village levies from ten (10) different funds and eight (8) of these funds are inter-related due to their connection to the state imposed levy limit. The following funds are at least partially funded by a levy:

- General Fund
- Library
- Outreach/Nutrition (Senior Center)
- Capital Projects
- Revolving Loan
- Employee Retirement Insurance Fund
- Swimming Pool
- Tax Increment Districts (TID)
- Debt Service
- TID Debt Service

The total combined levy from levy-limit funds cannot be more than the state imposed limit, which for 2018 is 1.23% more than the levy in 2017. The levy for 2018 complies with this requirement. The two debt service levies are not subject to the levy limit. For 2018, the Village's levy toward the levy limit is \$3,402,984. The total general levy is \$4,465,152. The total levy amount will be added to the TID increment to determine the total final levy. Not including the TID increment calculations the general levy is set to increase by 6.22%; however, with additional assessed value in the community, the net levy to the taxpayer is set to increase by 4.49%. This represents an annual increase of \$76 on a \$250,000 assessed property, about half of the increase in 2017.