



# **BUDGET & ACTION PLAN**

As recommended by Mayor Dan Devine

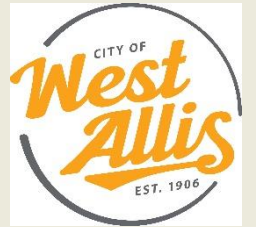
**Public Hearing  
November 1, 2022**

3  
2  
0  
2



# Vision Statement

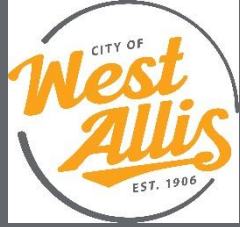
West Allis will become the preferred city for visitors, residents, and businesses.



# Mission Statement

The City of West Allis exists to provide:

- cost effective municipal services consistent with the needs and desires of the citizens of the West Allis community (residences and businesses, as well as other community stakeholders)
- for the health, safety, and welfare of the community
- a quality living and working environment
- a positive, progressive, and creative approach to the budget, management, and operations of the City.



# Demographics

**60,068**

Population  
Estimate

**52.3%**

Owner Occupied  
Housing Units

**\$148,400**

Median Value of  
Owner Occupied  
Housing

**\$53,634**

Median Household  
Income (2020 \$)

**11.2%**

Persons in Poverty

**15.6%**

Persons over 65

# 2022-2026 STRATEGIC PLAN FOCUS AREAS

1. Community – A community that is healthy, accessible, attractive, and open to all community members and visitors.
2. Destination – A community that attracts business, engages in partnerships, and is considered a safe and attractive place to live, work, and visit.
3. Financial – An organization that is fiscally responsible and aligns organizational resources with the needs of the community.
4. Infrastructure – A long-term approach to investing in, managing, and maintaining, the City’s physical assets.
5. Organizational Excellence – An organization that makes investments in employees and is accountable and transparent in its practices.



# 2023 Recommended Budget Priorities

## Neighborhood Initiatives

- Neighborhood Associations activities and additional established
- Liberty Heights Pavilion Design (CDBG funding)
- Nuisance Abatement Program
- Continue with pest control measures (\$10,000 in CDBG budget)
- Pilot sterilization product in use in other municipalities (\$2,000 in Health budget)
- Employ summary abatement ordinance passed by Common Council to immediately abate harborages in eligible cases
- Continued City-wide staff focus on rodent abatement plan

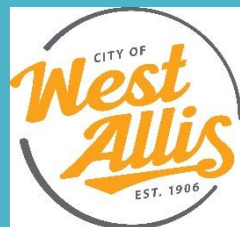
## Public Safety Resources and Strategies

- Expand Flock Cameras from a pilot program to a long-term strategy in the reduction of crime and reckless driving, we currently have numerous alerts per week, many resulting in arrests for stolen vehicles and other criminal activity (Additional \$25,000 in Police budget)
- Add funding for additional staff in parking enforcement (Additional \$25,000 in Police budget, offset by increased revenue estimate of \$25,000)
- Expand Axon Product contract to increase safety and efficiency for officers and administrative staff



# Challenges

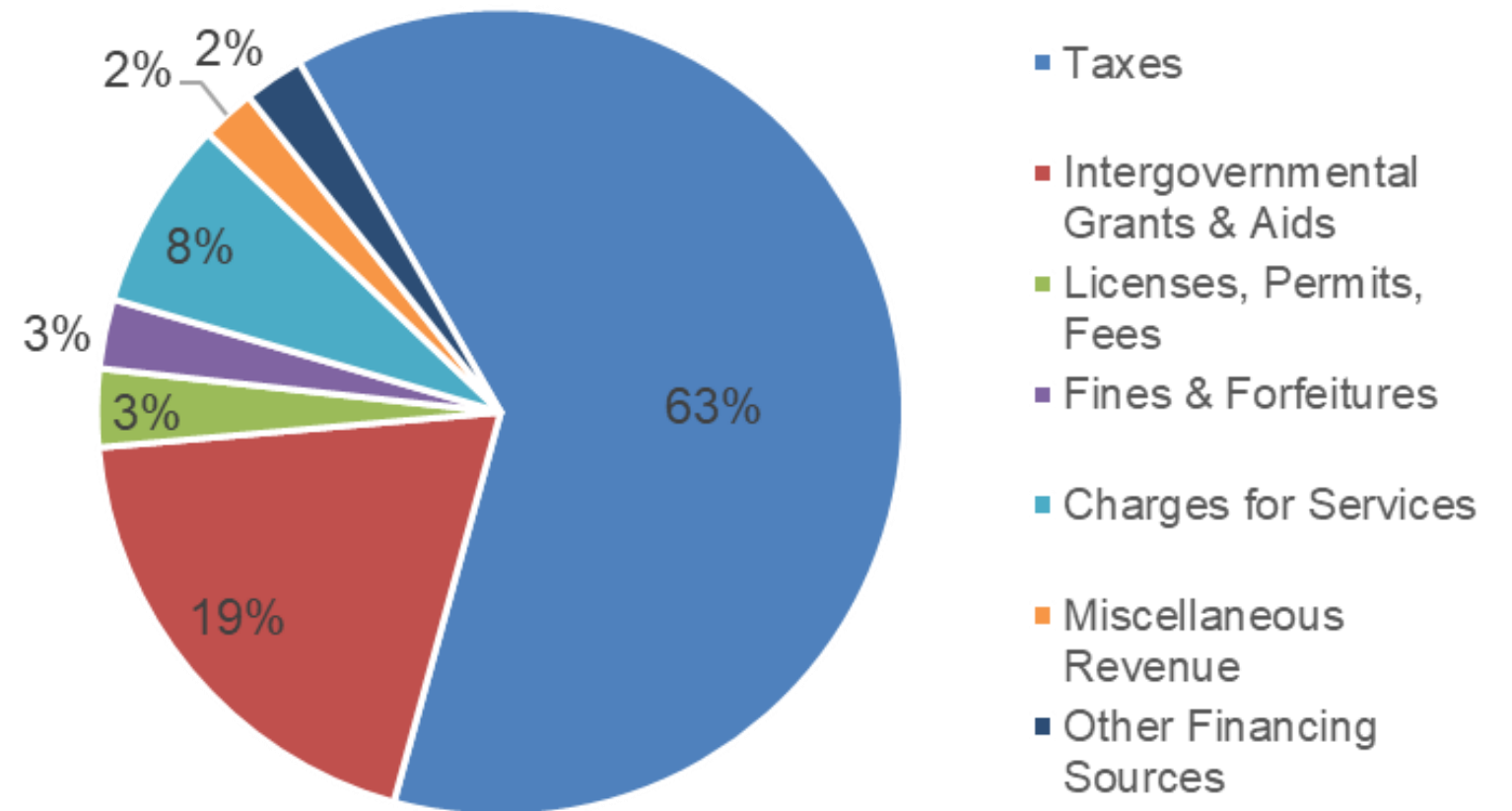
**Severely  
Restricted**



- **State Funding Structure for Wisconsin Municipalities**
  - **Overreliance on Property Taxes**
  - **Stagnant/Reduced State Aids**
  - **Expenditure Restraint Program**
  - **Levy Limits**
- Public Safety Budget Growth
- Aging Infrastructure
  - Street Light Conversion Project
  - Facility Repairs and Maintenance
- Recruiting and Retention of High-Quality Employees
- Taxpayer Financial Limitations

# Overreliance on Property Taxes

**No Options**



Budgeted Revenues

# State Aids Remain Flat

**Handcuffed**

## How much?

Through various programs, the State is expected contribute **\$12.2 million** to the City in 2023.

## Did it offset cost increases?

Overall, the City will receive a 0% increase in State Aid, so **No**, it's not helping to cover normal cost increases.

## Does it matter?

**Yes!** State Aid accounts for 18% of the City's General Fund budget. Even a modest 2% increase in this funding would have doubled the impact we're getting from the local tax levy.





# Levy Limits

**Severely  
Restricted**

## What are levy limits?

Levy Limits provide prohibit county, city, villages or towns from increasing their base levy by more than the percentage change of net new construction, between the previous year and the current year.

## What is net new construction?

Net new construction/demolition of buildings and land improvements

Includes Tax Increment District (TID) activity

Value is compared to total equalized value to calculate a percentage change

## What is the penalty for exceeding the levy limit?

The penalty is a dollar-for-dollar loss of shared revenue. **Ex.:** If a municipality exceeds its levy limit by \$1,000, its state shared revenue payment is reduced by \$1,000.



2005 - Enacted in 2005 for 2006 levies to slow local property tax increases

Linked to net new construction, but a floor of 2% was established

2006 to 2010 - Levy Limit Floor varied between 2% and 3.86%; this allowed fully developed and slow growth communities to be protected in the event their net new construction was low

2011 - Law was changed so that any levy increase was limited to property values of net new construction and the floor was lowered to 0%; fully developed and slow growth communities lost protection of the minimum increases

# History of Levy Limits

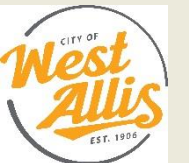
# Expenditure Restraint Program (ERP)

**What is it?** Aid provided by State to municipalities who limit growth in spending.

**How is it calculated?** For the year prior to the aid payment, the rate of the budget growth cannot exceed the inflation rate plus an adjustment based on the growth in municipal property values.

**What is the aid amount we get if we remain within the limit?** ~\$1.6 million per year (or less than 3% of our annual budget)

**What has been the average ERP limit in past 7 years?** 2.1% (2016 increase was one of the lowest at ~\$400,000) (Ignores 2022 at 8.1%)





1990 - Established due to the way state aid was determined; aid was allocated based on spending; increases in spending were encouraged so more aid was received



1994 - Qualified tax rate was changed to 5 mills and limit was changed to GF



Funding set at \$42 million for program with 240 towns, villages, and cities participating



2003 - Funding was changed to \$58,145,700 for 319 towns, villages and cities who participate



2020 - Funding has remained at 2003 levels

# History of ERP

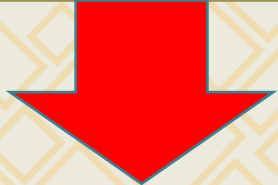
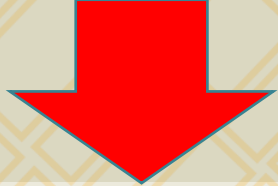
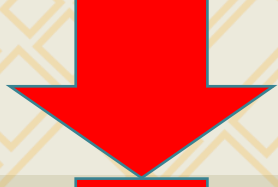
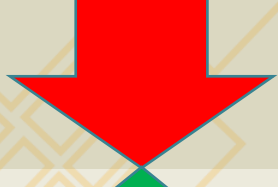

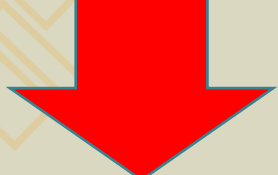
Year	State Shared Revenue	Expenditure Restraint Aid	Exempt Computer Aid	Municipal Services Payment	Transportation Aids	Total State Aid*
<b>2001</b>	<b>\$9,339,990</b>	<b>\$1,693,278</b>	<b>\$313,281</b>	<b>\$258,232</b>	<b>\$2,422,416</b>	<b>\$14,027,197</b>
2002	9,431,527	1,604,472	249,810	262,900	2,304,919	13,853,628
2003	9,518,429	1,751,835	213,623	337,368	2,191,504	14,012,759
2004	8,519,543	1,811,626	184,269	289,909	2,084,706	12,890,053
2005	8,532,789	1,788,771	169,472	266,846	2,029,692	12,787,570
2006	8,521,008	1,876,354	160,032	273,573	2,112,518	12,943,485
2007	8,514,956	1,875,045	174,715	268,953	2,179,504	13,013,173
2008	8,545,104	1,845,041	159,683	202,725	2,245,132	12,997,685
2009	8,590,825	1,756,743	200,994	202,728	2,316,363	13,067,653
2010	8,250,368	1,636,156	195,595	201,506	2,418,692	12,702,317
2011	8,302,417	1,615,560	186,079	209,144	2,533,566	12,846,766
2012	7,228,751	1,627,054	187,843	8,039	2,287,195	11,338,882
2013	7,271,168	1,609,640	177,455	8,342	2,241,407	11,308,012
2014	7,268,863	1,548,237	177,631	8,314	2,208,565	11,211,610
2015	7,181,455	1,621,354	206,182	8,767	2,336,369	11,354,127
2016	7,184,998	1,574,913	189,550	202,510	2,259,021	11,410,992
2017	7,297,983	1,498,668	175,071	188,492	2,248,523	11,408,737
2018	7,294,641	1,519,285	177,645	199,511	2,482,335	11,673,417
2019	7,293,027	1,532,604	181,944	213,890	2,357,433	11,578,898
2020	7,322,570	1,547,479	181,944	192,894	2,558,757	11,803,644
<b>2021</b>	<b>7,338,553</b>	<b>1,589,006</b>	<b>181,944</b>	<b>224,678</b>	<b>2,570,788</b>	<b>11,904,969</b>

# History of State Aids

\*Does not include Personal Property Aid which has a net zero revenue effect during these years





<b>Shared Revenue</b>	<b>\$(2,001,437)</b>	
<b>Expenditure Restraint</b>	<b>\$(104,272)</b>	
<b>Exempt Computer Equip.</b>	<b>\$(131,337)</b>	
<b>Municipal Services Payment</b>	<b>\$(33,554)</b>	
<b>Transportation Aids</b>	<b>\$148,372</b>	
<b>Overall</b>	<b>\$(2,122,228)</b>	

# Change over 20 years of State Aids

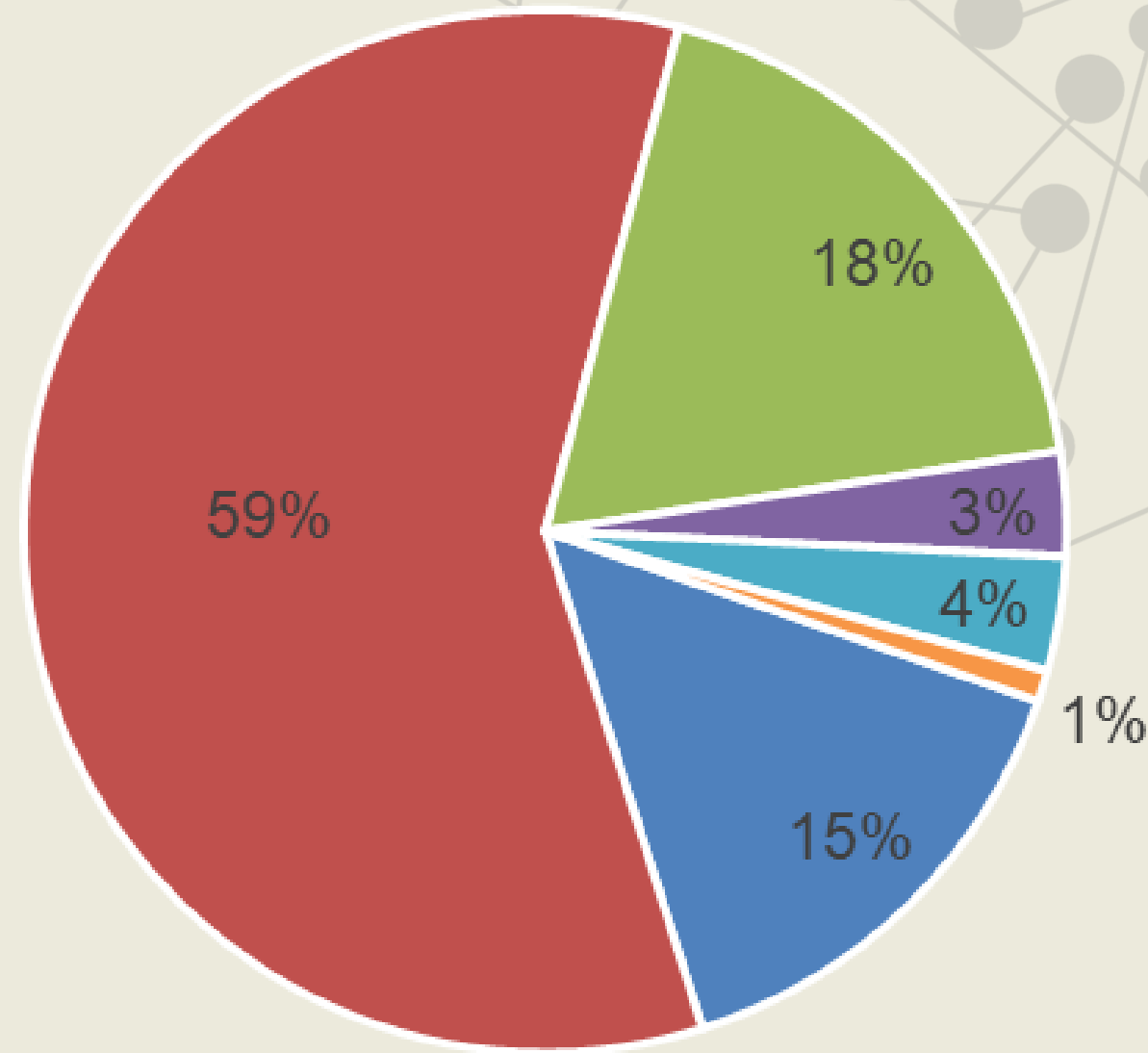


# Shared Revenue Changes



# Expenditures by Department

- General Government
- Public Safety
- Public Works
- Health & Human Services
- Culture & Recreation
- Conservation & Development



**Budgeted Expenditures**

# Personnel

**538.65**

BENEFITTED POSITIONS

**DOWN FROM 544.65 IN 2022**

---



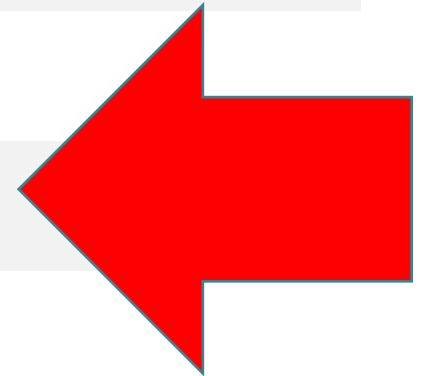
**492.65**

GENERAL FUND  
POSITIONS

**51.00**

FUNDED BY OTHER  
FUNDING  
SOURCES

<b>Department</b>	<b>2017</b>	<b>2023*</b>	<b>Change</b>
Benefitted Positions – City Wide	580.15	538.28	(41.87)
Police	160.55	160.15	(0.4)
Fire	106.00	106.00	-0-
Public Works	144.5	116	(28.5)
Health	39.55	36.28	(3.27)



# Personnel 2017 v 2023



**Personnel Costs  
81% of General  
Fund Budget**

**\$55,088,630**

# WRS Contributions

Employee Type	Employee Contribution	West Allis Contribution	Est. Annual City Contribution for employee making \$65K
General Employees	6.8%	6.8%	\$4,420
Police	6.8%	13.2%	\$8,580
Fire	6.8%	18.1%	\$7,735*

\* Net of Social Security savings of 6.2%

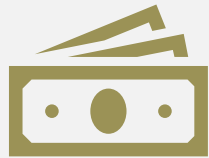


Department	2023
General Government	\$ 362,544
Police	\$1,237,738
Fire	\$1,061,057
Public Works	\$ 792,145
Health	\$ 63,378

## **Current Retiree Benefit Costs (Health Insurance – OPEB)**



All of the challenges result in a gap between requests and allowable increases as well as an ongoing structural deficit



For the 2023 Budget – the levy increase to our GF budget, where most of our operating costs are was limited to **\$215,000**



We had an estimated *\$1.3 million* gap between what the allowable levy increase and the 2023 budget requests

**Budget Gap  
for 2023 -  
~\$1,300,000**

# Closing the Budget Gap for 2023 – One time Solutions

## Increased Revenues

- Levy Limit Allowance \$215,000
- Ambulance Charges – (Medicaid reimbursements doubled) \$660,000
- Increased Interest Earnings \$350,000
- Additional parking revenue (offset by increased staffing costs) \$25,000

## Health Insurance

- Estimated 0% increase for 2023

## Position Changes

- Details on following slide



# Recommended Position Changes

Assessor – move one Code Enforcement administrative position to Assessor’s Office (department request was a new position, this reallocation does not increase number of positions)

Code Enforcement - move administrative position to Assessor’s Office as listed above; move Zoning Administrator position from Planning and Zoning to Code Enforcement for continued focus on nuisance enforcement activities

Fire – Deputy Chief positions in MIH and Training Bureau change to Captains

Planning and Zoning – move Zoning Administrator to Code Enforcement

Police - Elimination of 1 Administrative position in the Police Department to fund the market adjustments of Dispatchers’ salaries; Additional funding for parking enforcement

Public Works – adjust yard attendant to Truck Driver position for more flexibility; eliminate HVAC Technician; eliminate Inventory Services Specialist; eliminate 3 Maintenance Repairers – one in Sanitation and Streets, two in Water



# Department Changes in 2023 Recommended Budget

## **IT Budget –**

Decrease in Maintenance Contracts due to transfer of software maintenance/support contracts to business units

(i.e. ERP & Payroll software costs moved to Finance, Licensing & Permitting software costs moved to City Clerk, Asset Management/Work Order software costs moved to DPW, etc).

\$327,500 decrease is not an overall budget reduction; these amounts will appear as increases in the affected department budgets.

## **Finance –**

Salary & Fringe increase reflects salaries budgeted at gross, rather than net of charge out to utility funds. Increase is offset by a corresponding inter-departmental revenue from the utilities so no net budget impact and improved transparency. Increase in Maintenance Contracts reflects the transfer of software maintenance contracts for payroll and accounting software from the IT budget. No net impact due to corresponding decrease in IT budget.

# Summary of Department Changes Continued

## Clerk

Increase in maintenance contracts due to license and permitting software costs being transferred from IT budget.

## Police

- Salary expense includes an estimate for a contractual increase in pay/benefits and the related compression pay for non-represented employees.
- Salary expense also reflects a market increase to Dispatcher salaries.
- Pension increase due to an increase to the WRS required contribution rate
- The Increase in maintenance contracts reflects the cost of software maintenance being transferred from IT budget, as well as additional software.
- A mayor-proposed \$25,000 addition to salaries is included to fund additional parking enforcement efforts, offset by an anticipated revenue increase in parking permits/fines.
- A mayor-proposed \$25,000 increase to expand the use of Flock Cameras has been included based on results in reducing crime and reckless driving from a recent pilot program.





# Summary of Department Changes Continued

## Fire

- Salary expense includes an estimate for a contractual increase in pay/benefits and the related compression pay for non-represented employees.
- Three vacant firefighter positions remain unfunded for 2023.
- Salaries includes a reduction for grant funding for Mobile Integrated Health (MIH) services.
- Pension expense increase is due to the increased WRS required contribution rate
- "Retiree Benefits" expense item reflects the city-funded portion of health insurance premiums for retirees of the Fire Department.



# Summary of Department Changes Continued

## Health

Salary & Benefit changes reflect several recent position changes, consolidations, eliminations and a temporary budget reduction in the General Fund Health Department based on COVID response grant funding anticipated for a portion of 2022.

Salaries & Benefits for staff working on grant funded COVID response are charged to a separate Health Grants Fund.

A portion of the above increase reflects the impact of temporary COVID funding phasing out.

Note: The "Retiree Benefits" expense item reflects the city-funded portion of health insurance premiums for retirees of the Health Department.



# Summary of Department Changes Continued

## **Library**

Salary & Benefit changes reflect a net reduction in mostly, part-time staffing.

Note: The "Retiree Benefits" expense item reflects the city-funded portion of health insurance premiums for retirees of the Library.

## **Public Works**

Salary increases are the result of standard salary progression/performance pay increases, as well as market adjustments for Truck Drivers, Maintenance Repairers, Mechanics, and others as needed to compete for staff in a tight labor market. The department also eliminated three positions (HVAC Tech, Inventory Specialist, Maintenance Repairer).

Note: The "Retiree Benefits" expense item reflects the city-funded portion of health insurance premiums for retirees of DPW.



# Summary of Changes Continued

## **Engineering**

Salary & Benefit decreases reflect additional Engineering staff time billed to Water, Sanitary Sewer, and Storm Water for design and construction management of utility construction projects.

## **Promotions**

Salary increases are the result of increased funding for part-time market attendant positions for events at the Farmer's Market.

## **Communications**

Communications has been merged into the general fund for 2023 from a special revenue fund. The reason for this change is due franchise fee changes. Impact is minimal due to the revenue from the account also being transferred.



# General Fund Revenues

---

<b>Taxes</b>	<b>\$42,370,000</b>
--------------	---------------------

<b>Intergovernmental Grants &amp; Aids</b>	<b>\$13,094,000</b>
--	---------------------

<b>Licenses, Permits and Fees</b>	<b>\$2,114,100</b>
-----------------------------------	--------------------

<b>Fines and Forfeitures</b>	<b>\$1,881,000</b>
------------------------------	--------------------

<b>Charges for Services</b>	<b>\$5,133,900</b>
-----------------------------	--------------------

<b>Miscellaneous</b>	<b>\$3,093,000</b>
----------------------	--------------------

---

# General Fund Expenditures

Category	2023 Amount	Change from 2022
General Government	\$10,046,344	+2.1%*
Public Safety	\$39,942,526	+4.7%
Public Works	\$12,457,403	+1.3%
Health & Human Services	\$2,192,315	+8.9%**
Culture & Recreation	\$2,401,728	-0.4%
Conservation & Development	\$645,684	+1.8%

\*increase from moving Communications to General Fund; change is net of benefit allocations to non-general categories

\*\*increases due to regular employees that were allocated to COVID funds, salaries returned to general fund to maintain capacity



# Historical/Background Information

## Equalized Value

- 2022 - \$5,518,411,300
- 2021 - \$4,780,305,200
- 2020 - \$4,324,118,600
- 2019 - \$4,010,376,800
- 2018 - \$3,820,597,600
- 2017 - \$3,722,361,000

## Overall Tax Rate

- 2022 - \$28.05 (est.)
- 2021 - \$27.72
- 2020 - \$27.90
- 2019 - \$27.16
- 2018 - \$27.48
- 2017 - \$28.28

## Assessed Value

- 2022 - \$3,961,529,200 (est.)
- 2021 - \$3,953,572,200
- 2020 - \$3,918,312,400
- 2019 - \$3,882,330,800
- 2018 - \$3,710,465,900
- 2017 - \$3,751,889,600

## General Fund Revenue

- 2022 - \$65,344,524
- 2021 - \$66,051,114
- 2020 - \$64,643,000
- 2019 - \$63,243,000
- 2018 - \$62,505,716
- 2017 - \$61,170,867

## Local Tax Rate

- 2022 - \$12.12 (est.)
- 2021 - \$12.02
- 2020 - \$11.91
- 2019 - \$11.56
- 2018 - \$11.53
- 2017 - \$11.26

## General Fund Expenditures

- 2022 - \$65,344,524
- 2021 - \$66,051,114
- 2020 - \$64,643,000
- 2019 - \$63,243,000
- 2018 - \$62,505,716
- 2017 - \$61,170,867



**Estimated City Tax based  
on \$150K Home**

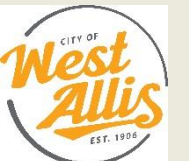
**\$1,818**

**INCREASE OF \$15**

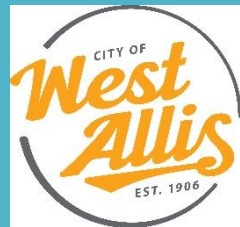
*Sanitary and solid waste average increase of \$50*

- ~~Obtain final assessment information from state~~
- ~~Calculate final City tax rate~~
- Provide additional information as needed
- Council consideration of Recommended Budget on November 15

# Next Steps



# Warning



**State Funding Structure for Wisconsin Municipalities is unsustainable.**

**Unless there is a change to this model, departments that have continued increases to budget will require reduction of staff/services to meet financial limitations.**



# **What questions do you have?**

