



Peggy Steeno
Finance Director
Finance Department
414.302.8252
psteeno@westalliswi.gov

MEMORANDUM

TO: Administration & Finance Committee
FROM: Peggy Steeno, Finance Director
DATE: November 14, 2017
RE: Follow-Up #3 from the October 9/October 17/October 30 Budget/Capital Improvement Program (CIP) Discussions

As a follow-up to the Administration & Finance Meetings held thus far on the 2018 Budget and CIP, this memo will address the outstanding items in regard to the 2018 Operating Budget and 2018 CIP.

There are a few updates regarding information that was late in coming from the Wisconsin Department of Revenue, specifically the City's 2017 Assessed Value and Assessment Ratio, which dictate the final tax rate, and the final Expenditure Restraint Program Details for the 2018 Budget. Please see below for the detailed information on these items:

- Update on information still needed from the Department of Revenue for the 2018 Budget. The Committee understands that staff was waiting on a few critical pieces of information regarding the assessed value calculation to be able to provide the remainder of the information, including the tax rate needed to fulfill all of the needs identified in the 2018 Recommended Budget as well as the expenditure restraint program details.

2017 City of West Allis Assessed Value - \$3,751,889,600

Table with 2 columns: Equalized Value and Assessed Value, listing data for years 2012 through 2017.

2017 City of West Allis Assessment Ratio - 1.008324272

2017 (for 2018 Budget) Local Tax Rate - \$11.26 / Thousand of Assessed Value

Table with 1 column: Local Tax Rate, listing data for years 2012 through 2017.

*2018 Expenditure Restraint Program Details – The Expenditure Restraint Program Limitations for 2018 are very close to what was expected and presented at prior meetings, allowing for a 2.2% increase based on the new calculations per the DOR in 2016. This means that our current 2018 Proposed Budget is within those limits.*

In addition, as was discussed at previous Budget and CIP review meetings, staff needed additional time to review the Utility Rates.

o *Recommended Utility Rates for 2018*

***Staff requested time to continue evaluating the Utility Funds, specifically the impact of related capital improvement projects that are included in the 2018 CIP.***

Based on the 2018 Budget Requests included in the Proposed Budget for each Utility, the impacts of the 2018 CIP on each Utility, and current cash flows in each of the Utilities, staff is recommending an increase in the Sanitary Sewer Rates only at this time. However, please note that another review of each of the Utilities will be completed after 2017 is closed to re-evaluate each Utility's status at that time.

Please let me know if you have questions or need additional information regarding any of the above noted items, or any other matter related to the recommended 2018 Operating Budget and Capital Improvement Program, in advance of Council's consideration of the 2018 Operating Budget and Capital Improvement Program at the Council Meeting on November 21.

**RECOMMENDED AMENDMENTS TO THE MAYOR'S PROPOSED 2018 OPERATIONS BUDGET**

ITEM	OVERALL BUDGET		NOTES
	AMOUNT	IMPACT	
<b>1. GENERAL FUND EXPENDITURE REDUCTIONS COMPARED TO THE MAYOR'S ORIGINAL BUDGET PROPOSAL</b>			
Remove funding for two (2) Electricians for 2018 / Transfer to Street lighting Initiative	\$176,100	\$176,100	Authorized positions remain at this time / but are not funded for 2018
Remove Funds Reserved in the 2018 Operating Budget for future years' purchases: Radio Equipment/Telephone/911 System/Voting Equipment/Defibrillator Replacement Program/Thermal Imaging Cameras/Future Equipment/Self-Check Replacement/Carpet Replacement/Vehicle Replacement/Surveying Vehicle Replacement	\$368,575	\$368,575	Use amounts reserved for future purchases for 2018 Capital Budget Priorities
Reduce Two (2) Information Technology Items that are not needed from the Budget	\$17,750	\$17,750	The document imaging item was a inadvertent carryover veer from 2017 and the HIDTA Radios did not need to be part of the City Budget
<b>Total REDUCTION in Expenditures</b>			
		<b>\$562,425</b>	
<b>2. GENERAL FUND EXPENDITURE INCREASES COMPARED TO THE MAYOR'S ORIGINAL BUDGET PROPOSAL</b>			
Capital Items from the CIP to be included in the 2018 Operating Budget - Street Lighting Upgrade (\$200,000), National Avenue Streetscaping (Partial) (\$235,000), Pavement Patching and Repair (Partial) (\$126,000), Library Elevator Cylinder (\$5,000), Emergency Generator Fire Station #3 (\$140,000)	\$706,000	\$706,000	These items were recommended by the Administration & Finance Committee at their Meeting on October 30, 2017
<b>Total INCREASE in Expenditures</b>			
		<b>\$706,000</b>	
<b>Increase 2018 Proposed Operations Budget (Expenditures)/ Within Expenditure Restraint Program Limits</b>			
		<b>\$143,575</b>	<b>Expenditure Budget Increases By \$143,575; which is within Expenditure Restraint Program Limitations</b>
<b>3. REVENUE ADJUSTMENTS</b>			
Add higher than expected General Transportation Aids to the General Fund Revenue Budget	\$143,575	\$143,575	Notice from DOT was received that Transportation Aids are increasing after the Mayor's Proposed Budget was released - Actual Increase \$235,729 / Remaining \$92,154 to be used in Capital Budget
<b>NET CHANGE IN REVENUE BUDGET</b>			
		<b>\$143,575</b>	
<b>Total Affect of All Changes</b>			
		<b>\$0</b>	<b>Overall Budget/Levy for the General Fund remains unchanged</b>

**RECOMMENDED AMENDMENTS TO THE 2018 PROPOSED CAPITAL BUDGET**

ITEM	AMOUNT	IMPACT	NOTES
<b>4. CAPITAL PROJECT EXPENDITURE FUNDING IDENTIFIED COMPARED TO ORIGINAL CAPITAL IMPROVEMENT PLAN DATED 10/9/17 (MINOR REVISIONS FROM ORIGINAL 9/14/17 VERSION)</b>			
National Avenue Streetscaping (Partial)	\$804,000	\$804,000	Increase Capital Improvement Budget to Fund Initiative in 2018 with 2017 Carryover Funds (\$686,000) and 2017 Unused Sidewalk Funds (\$118,000)
Police Investigate Vehicles	\$37,500	\$37,500	Increase Capital Improvement Budget to Fund Initiative in 2018 with 2017 Carryover Funds
Alley Street Lighting Replacements	\$84,000	\$84,000	Increase Capital Improvement Budget to Fund Initiative in 2018 and utilize General Fund Reserves specified for this purpose
Library HVAC Retrofit Project	\$300,000	\$300,000	Increase Capital Improvement Budget to Fund Initiative in 2018 and utilize General Fund Reserves specified for this purpose
Farmer's Market Painting & Tuck-pointing	\$30,000	\$30,000	Increase Capital Improvement Budget to Fund Initiative in 2018 and utilize General Fund Reserves specified for this purpose
Public Works Roof Replacement	\$100,000	\$100,000	Increase Capital Improvement Budget to Fund Initiative in 2018 and utilize General Fund Reserves specified for this purpose
IT Remodel	\$100,000	\$100,000	Increase Capital Improvement Budget to Fund Initiative in 2018 and utilize existing Capital Accumulation Funds and General Fund Reserves specified for this purpose
<b>Total INCREASE in FUNDING - Capital Expenditures</b>		<b>\$1,455,500</b>	These items were recommended by the Administration & Finance Committee at their Meeting on October 30, 2017 / This amendment incorporates the changes requested into the final proposed Capital Budget
<b>5. ADDITIONAL REVENUES AVAILABLE TO FUND CAPITAL PROJECTS</b>			
Add higher than expected General Transportation Aids to the Capital Revenue Budget	\$92,154	\$92,154	Notice from DOT was received that Transportation Aids are increasing after the Budget was released - Actual Increase \$235,729 / Remaining \$143,575 to be used in Capital Budget
<b>Total Increase in Revenues</b>		<b>\$92,154</b>	
<b>Total Affect of All Changes</b>		<b>\$1,363,346</b>	<b>Overall Capital Budget increases by \$1,363,346</b>
<b>Funding Source for All Additional Capital Expenditures</b>			
		<b>\$1,455,500</b>	<b>General Fund Reserves - \$562,440</b> <b>Capital Accumulation Funds - \$51,560</b> <b>2017 Carryover Funds - \$749,346</b> <b>Additional General Transportation Aid Revenues - \$92,154</b>

# BUDGET FACT SHEET

## City of West Allis Recommended 2018 Budget - Fact Sheet

	Budget Year 2017	Tax Rate	Budget Year 2018	Tax Rate *	Change
<b>Total General Fund Expenditures</b>	<b>\$ 59,170,867</b>	<b>\$ 9.15</b>	<b>\$ 60,505,716</b>	<b>\$ 9.39</b>	<b>2.26%</b>
General Government	\$ 10,497,571	\$ 1.62	\$ 10,564,932	\$ 1.64	1.01%
Public Safety	\$ 32,286,279	\$ 4.99	\$ 32,298,552	\$ 5.01	0.01%
Engineering & Public Works	\$ 11,874,417	\$ 1.84	\$ 12,808,124	\$ 1.99	7.86%
Health, Culture, Recreation	\$ 4,512,600	\$ 0.70	\$ 4,834,108	\$ 0.75	7.12%
<b>* Assessed Value \$</b>	<b>3,748,321,200</b>		<b>\$3,751,889,600</b>		<b>0.10%</b>
General Fund Tax Levy	\$ 34,317,413	\$ 9.15	\$ 35,209,982	\$ 9.39	2.60%
Health Fund Tax Levy	\$ 2,000,000	\$ 0.53	\$ 2,000,000	\$ 0.53	0.00%
Parking Fund Tax Levy	\$ 43,000	\$ 0.01	\$ 43,000	\$ 0.01	0.00%
Debt Fund Tax Levy	\$ 3,999,194	\$ 1.08	\$ 3,920,432	\$ 1.05	-1.97%
TID Levy	\$ 1,058,693	\$ 0.28	\$ 1,037,196	\$ 0.28	-2.03%
<b>Total Levy /Total Tax Rate without TID</b>	<b>\$ 41,418,300</b>	<b>\$11.05</b>	<b>\$ 42,210,610</b>	<b>\$11.26</b>	<b>1.91%</b>
Taxes on \$150K home:	\$ 1,657.50		\$1,689.00		1.91%
Change in Taxes:			<b>\$31.50</b>		
Total Employees (FTE, All Funds)	580.15		576.75		-0.6%
Projected Unassigned Fund Balance	\$ 6,412,820		\$ 8,987,784		40.2%
Fund Balance as % of Gen Fund Exp	10.8%		14.9%		

