

# 2022 BUDGET & ACTION PLAN

As recommended by Mayor Dan Devine



# Mayor's Remarks

# 2022 Recommended Budget



# Vision Statement -

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

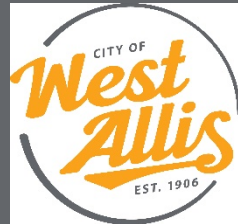
## Mission Statement

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.







# 2022-2026 STRATEGIC PLAN

**Community** –To have a community that is healthy, accessible, attractive, and open to all community members and visitors.

**Destination** –To have a community that attracts business, engages in partnerships, and is considered a safe and attractive place to live, work, and visit.

**Financial** –To have an organization that is fiscally responsible and aligns organizational resources with the needs of the community.

**Infrastructure** –To create a long-term approach to investing in, managing, and maintaining, the City’s physical assets.

**Organizational Excellence**  
To have an organization that makes investments in employees and is accountable and transparent in its practices.

# 2022 Recommended Budget Quality of Life Initiatives

- Reckless Driving Deterrence
  - Enforcement and Nuisance Control
    - Neighborhood Lighting Program
  - Diversity, Equity and Inclusion Activities
    - Garbage/Recycling Pilot Program
-

# Challenges

- **Taxpayer Financial Limitations**
- **Street Light Conversion Project**
- **Facility Repairs and Maintenance**
- **Aging Infrastructure**
- **Recruiting and Retention of High-Quality Employees**
- **Expenditure Restraint Program**
- **Levy Limits**



# Demographics

**60,325**

Population Estimate  
4/1/2020

**52%**

Owner Occupied  
Housing Units

**\$146,100**

Median Value of Owner  
Occupied Housing  
Units

**\$52,325**

Median Household  
Income (2019 \$)

**12%**

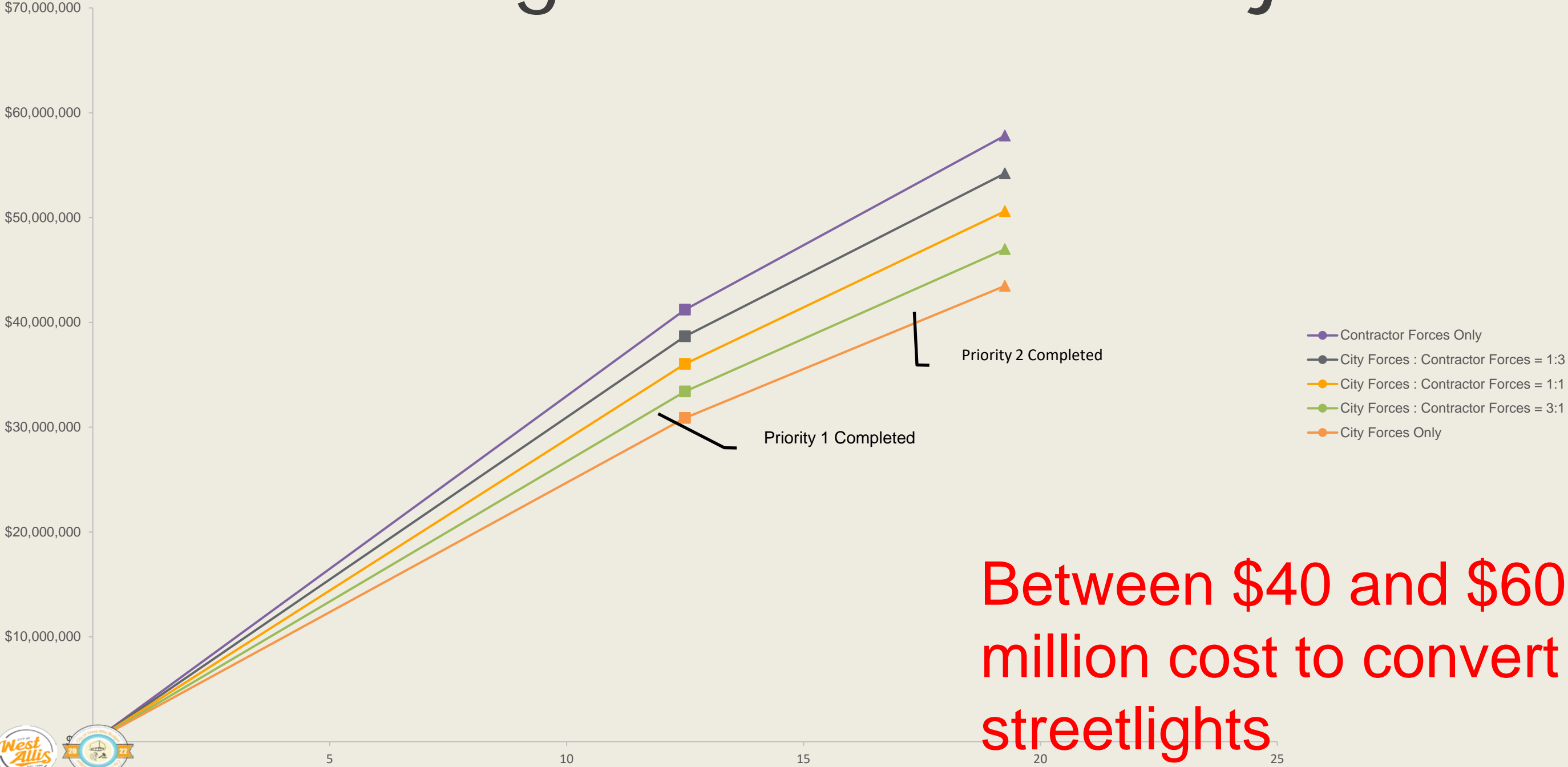
Persons in Poverty

**15%**

Persons over 65



# Street Light Conversion Project



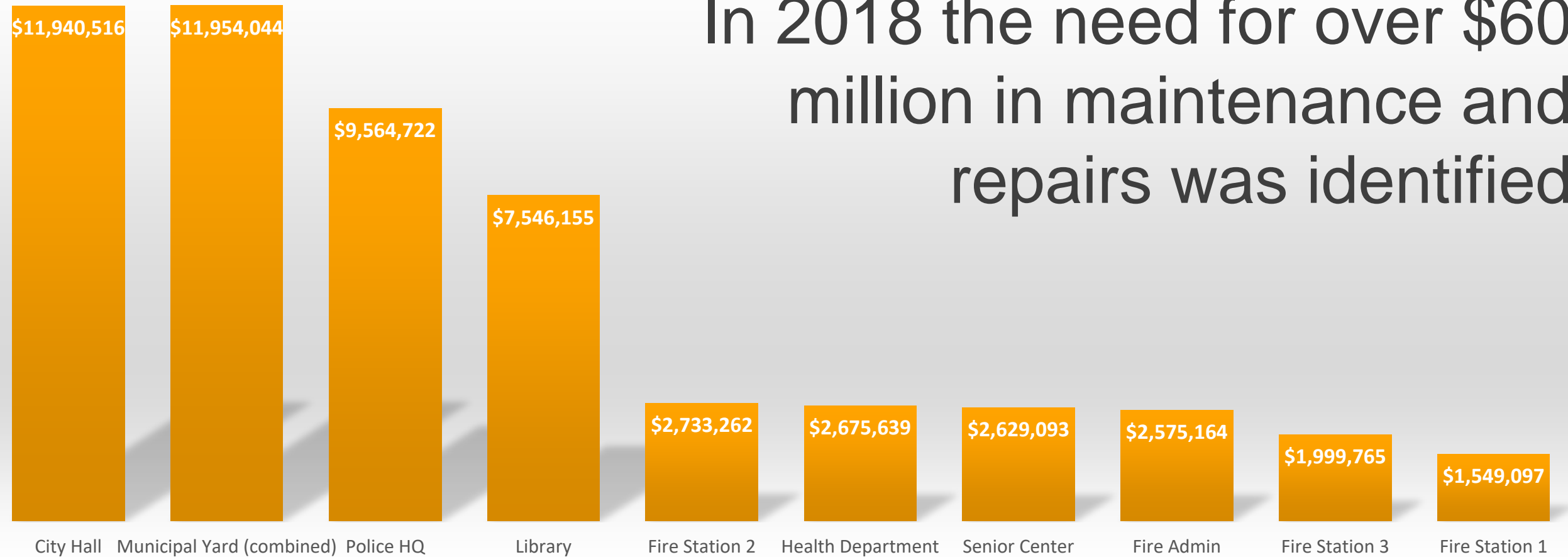
Between \$40 and \$60 million cost to convert streetlights





# City Facility Costs

In 2018 the need for over \$60 million in maintenance and repairs was identified



The net present value of replacing or repairing equipment reviewed in this study is \$60,053,269 over 30 years. These costs are estimates of what it will take to keep the existing assets replaced with similar systems. It does not consider potential technology upgrades or increased demand at the facilities. This equates to approximately \$2 million dollars per year that should be allocated for capital improvement projects with at least a 3% inflation per year. The future value of the inflated costs is approximately \$92,862,128.

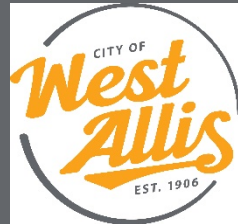
\*data obtained from McKinstry Executive Summary



# Aging Infrastructure

<b>Infrastructure</b>	<b>Existing Total</b>	<b>Replacement Cycle</b>
Streets	174.76 miles	70 year
Water Mains	215.80 miles	159 year
Sanitary Sewer Mains	172.18 miles	81.4 year





# Personnel

663.95

**TOTAL POSITIONS**

119.30

**NON-BENEFITTED  
POSITIONS - Election**

**Workers, Interns, Prov. and  
Temporary Employees**

493.60

**GENERAL FUND  
POSITIONS**

544.65

**BENEFITTED POSITIONS  
(DOWN FROM 562.70 IN 2021)**

51.05

**FUNDED BY OTHER  
FUNDING  
SOURCES**

# Salary and Benefits

Personnel Expenses are 87% of the General Fund Budget

	2021	2022	\$ Change	% Change
Salaries	\$35,093,588	\$34,457,912	-\$635,676	-1.8%
Health/Dental (Actives)	8,525,481	8,992,348	466,867	5.5%
Retiree Benefits	3,150,000	3,150,000	-0-	0.0%

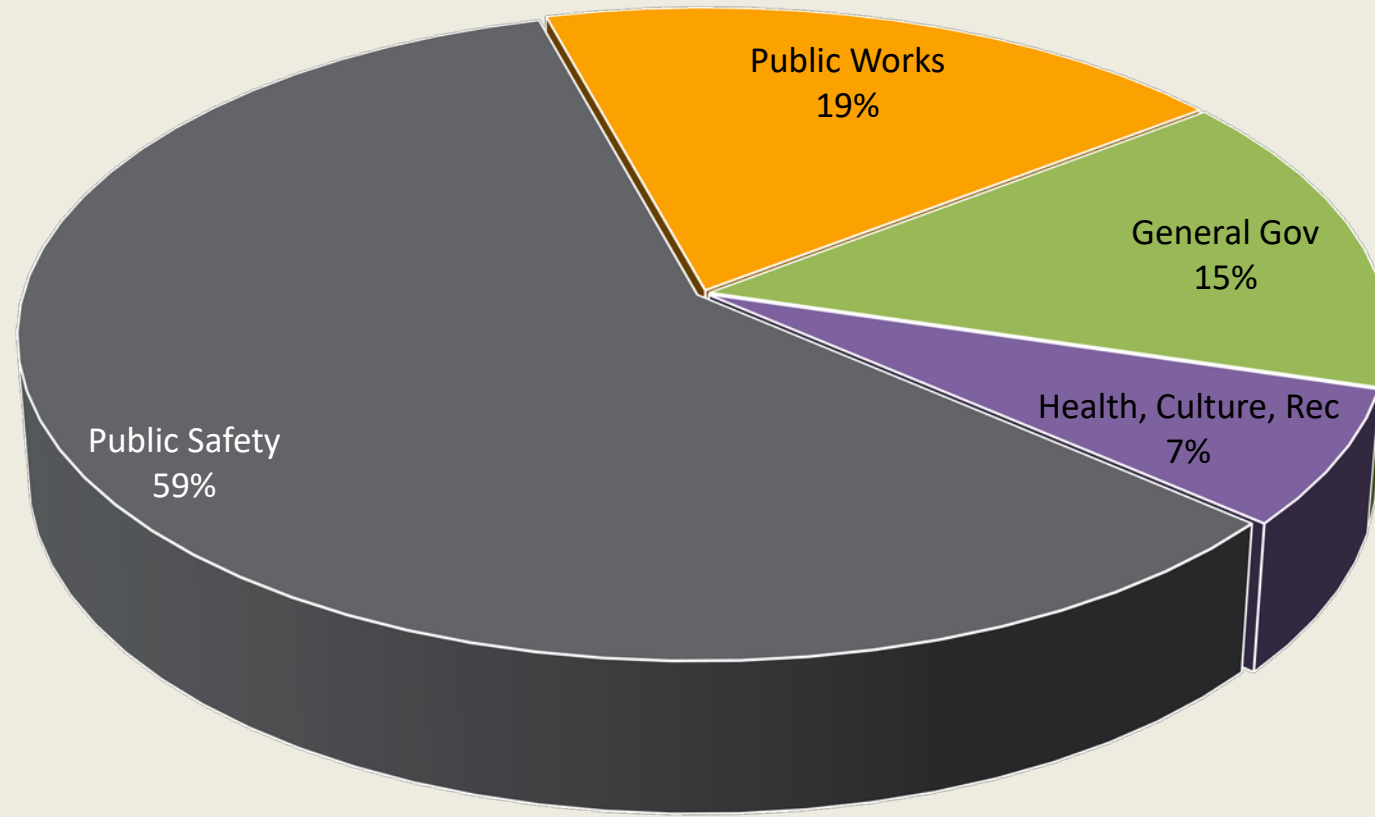
# Additional Benefit Information

Example	Fire	Police	Others
Annual Salary	\$62,500.00	\$62,500.00	\$62,500.00
City Portion of WRS Contributions	10.32% *	11.92%	6.75%
	\$10,325.00	\$ 7,450.00	\$ 4,218.75



\* Net of Social Security savings





# Personnel by Function



# State Imposed Limitations

- Levy Limits
- Expenditure Restraint Program (ERP)



# Expenditure Restraint Program

- **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?** ~\$1,500,000 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)



# Levy Limits

- **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.



# Municipal Funding Crisis Statewide

## **Over-reliance on Property Taxes**

Wisconsin municipalities rank seventh nationally among states for being the most reliant on the property tax for their revenues. No other Midwestern state relies so heavily on the property tax and so little on other taxes to pay for municipal services – Wisconsin Policy Forum Dollars and Sense Report – 2019

## **Levy Limit Referendums**

Between 2006 – 2017 31 municipalities passed referendums to increase levy limits. – The Municipality, January 2018

## **Reduction of Public Safety Budgets**

The Wisconsin Policy Forum compared 2018 and 2019 police budgets (the most recent data available). The data showed that both police and fire department budgets in roughly one-third of Wisconsin's local governments shrank from one year to the next. This occurred in all size communities throughout Wisconsin.





# What does all this mean?

- For the 2022 Budget – the increase to our GF budget, where most of our operating costs was limited to **\$350,000**
- Practically speaking we had an estimated \$1.7 million gap between what the allowable levy increase and the 2022 budget requests

# Fiscal Challenges

## Past Mitigation Effort Examples

- Gradually changes to health care and pensions contributions
- Limited Wage Increase
- Reduced Capital Funding
- Health Insurance Changes
- Elimination of Positions (Reduction in Workforce initiative)
- Customer Service Center
- Technology investment

*\*detailed list in Mayor's Budget Letter*



# High level Position Changes from 2021 to 2022

- Consolidation of 6 positions into 3 (part of Reduction in Workforce Program)
- Eliminate 15 positions - 3.25 part of Reduction in Workforce Program; 2 incumbents reassigned; 9 were filled positions; .75 vacant
- Reassign 5 positions (in addition to those listed above)
- Unfund 5 positions



# Summary of Changes By Department in 2022 Recommended Budget

## *Municipal Court*

- None

## *Administration/HR/Clerk*

- Elimination of .5 Administrative Support Assistant in February 2021
- Elimination of Customer Service Administrator in May 2021
- Elimination of 1.00 Administrative Support Specialist in December 2021
- Salary & Benefit changes reflect the shared duties of City Administrator & City Clerk by one FTE.

## *Attorney*

- The 2022 budget includes an estimate for an average claims year. In the event claims exceed this average in 2022, additional funding will need to be identified at that time

## *Assessor*

- Move Administrative Support Assistant to Customer Service Center
- Funding for Limited Term Employees (LTE's) to assist with the revaluation process in 2022.
- Salary & Benefit changes include funding restored for Appraiser position (unfunded in 2021)



# Summary of Changes By Department - Continued

## *Building Inspection and Neighborhood Services*

- Move Administrative Support Assistant to Customer Service Center
- Work with staff to determine best structure for department activities and provide recommendation for council consideration
- Reduce salary funding pending new hires and possible restructuring

## *Communications*

- None

## *Economic Development*

- Elimination of .75 Administrative Support Specialist in December 2021





# Summary of Changes By Department in 2022 Recommended Budget

## *Engineering*

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

## *Finance/Comptroller*

- Elimination of Administrative Support Assistant
- Accounting Specialist to Payroll Administrator
- Decrease in Maintenance Contracts reflects the transfer of software maintenance contracts for city-wide software to the IT Budget

## *Fire*

- Three vacant firefighter positions remain unfunded for 2022 due to budget constraints.
- Reduction to account for funding the Fire Department obtained via a contract to provide Mobile Integrated Health (MIH) services



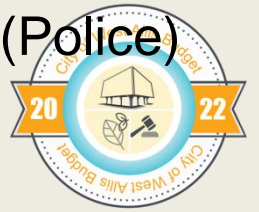
# Summary of Changes By Department - Continued

## *Health*

- Eliminate 1 Administrative Support Assistant
- Preparedness Coordinator position has been combined with Environmental Team Leader
- Consolidation of 2 Public Health Coordinators into 1 Public Health Nurse Lead
- Consolidation of Community Health Education Coordinator and Public Health Specialist into Community Health Technician
- Consolidation of Public Health Nurse and Public Health Nurse Coordination into Public Health Nurse
- Reclassification of Environmentalist Coordinator to Environmentalist
- Reclassification of Senior Center Director to Senior Center Coordinator
- Reduce salary account due to continued COVID grant funds specifically allocated to health department

## *Information Technology*

- Eliminate Business Process Analyst
- Eliminate PC Technician
- Decreases in Professional Services reflect savings from the managed print service contract
- Increases in Maintenance Contracts reflects the cost of software support/hosting fees for enterprise software systems & Microsoft applications
- Increases in Supplies includes additional funding for computer replacements and camera upgrades (Police)
- Increases in Utilities reflects the cost of cell and data plans to support mobile devices



# Summary of Changes By Department in 2022 Recommended Budget

## *Library*

- Outreach Librarian unfunded
- Eliminate Building Maintenance Technician
- Eliminate Cataloging and Technical Processing Librarian
- Eliminate Library Technician

## *Public Works*

- Eliminate Assistant Director Electrical and Grounds position
- Eliminate Lead Arborist position
- Eliminate Arborist position; move incumbent to Truck Driver position
- Eliminate Utility Locate Technician; move incumbent to Truck Driver position
- Eliminate Janitor position
- Eliminate Administrative Support Assistant in Administration
- Reallocation of positions to Facility and Signs Specialist and Forestry and Grounds Specialist

## *Planning and Zoning*

- None

## *Police*

- Move Administrative Support Assistant to Customer Service Center

## *Treasurer/Customer Service Center (CSC)*

- Move Accounting Specialist from Finance to CSC and change position to Administrative Support Specialist
- Move Administrative Support Assistant from BINS to CSC
- Move Administrative Support Assistant from Assessor to CSC
- Move Administrative Support Assistant from Police to CSC
- The increase in Professional Services reflects the cost of banking/transaction fees for electronic payment options



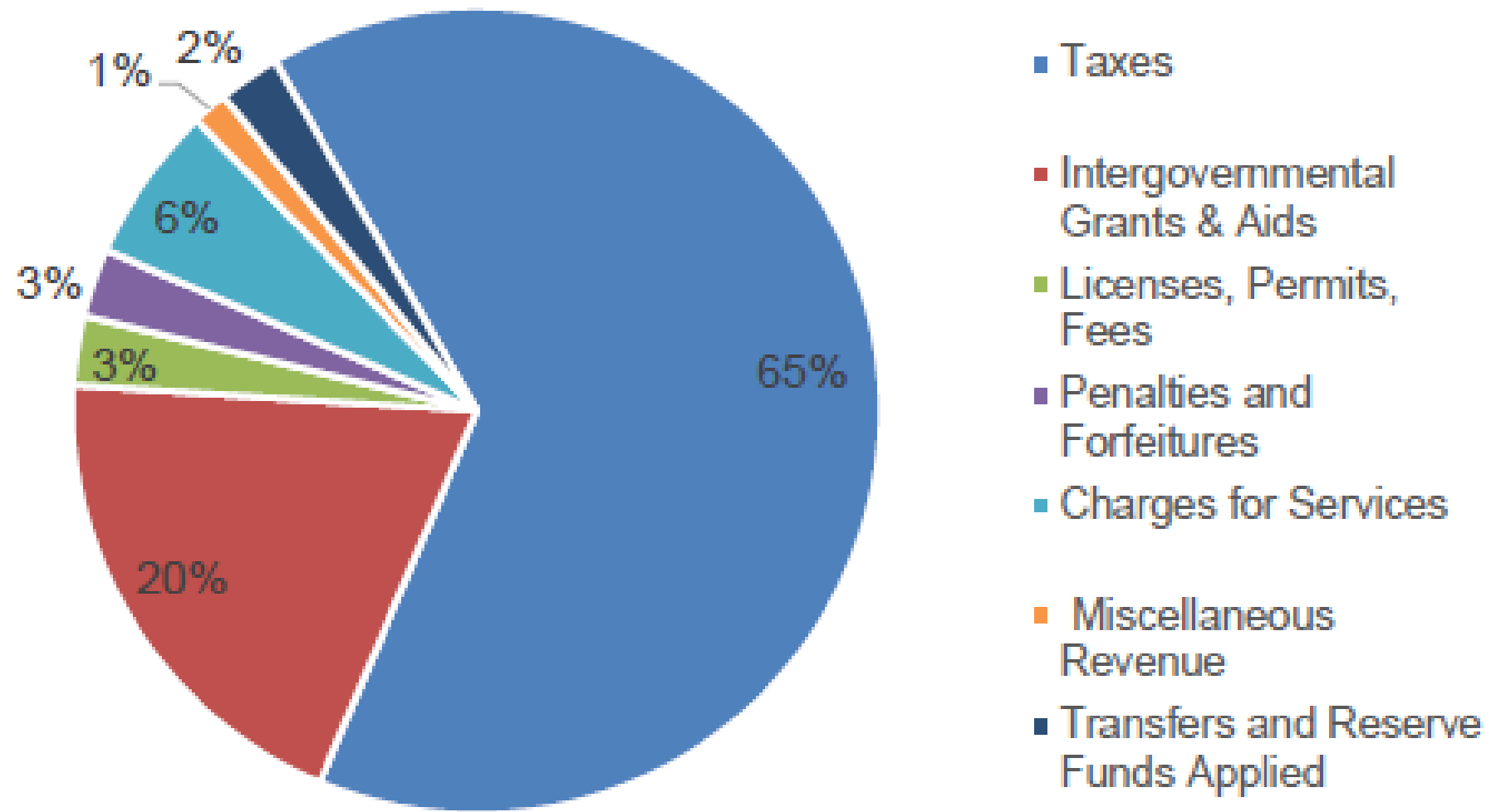
# Revenues

## General Fund Revenues

<b>Taxes</b>	<b>\$42,253,759</b>
<b>Intergovernmental Grants &amp; Aids</b>	<b>\$12,882,918</b>
<b>Licenses, Permits and Fees</b>	<b>\$1,793,125</b>
<b>Penalties and Forfeitures</b>	<b>\$1,800,000</b>
<b>Charges for Services</b>	<b>\$4,102,924</b>
<b>Miscellaneous</b>	<b>\$2,511,798</b>



## Budgeted Revenues



# Where does the money come from?

General Fund Revenues





# Expenditures

## General Fund Expenditure by Category

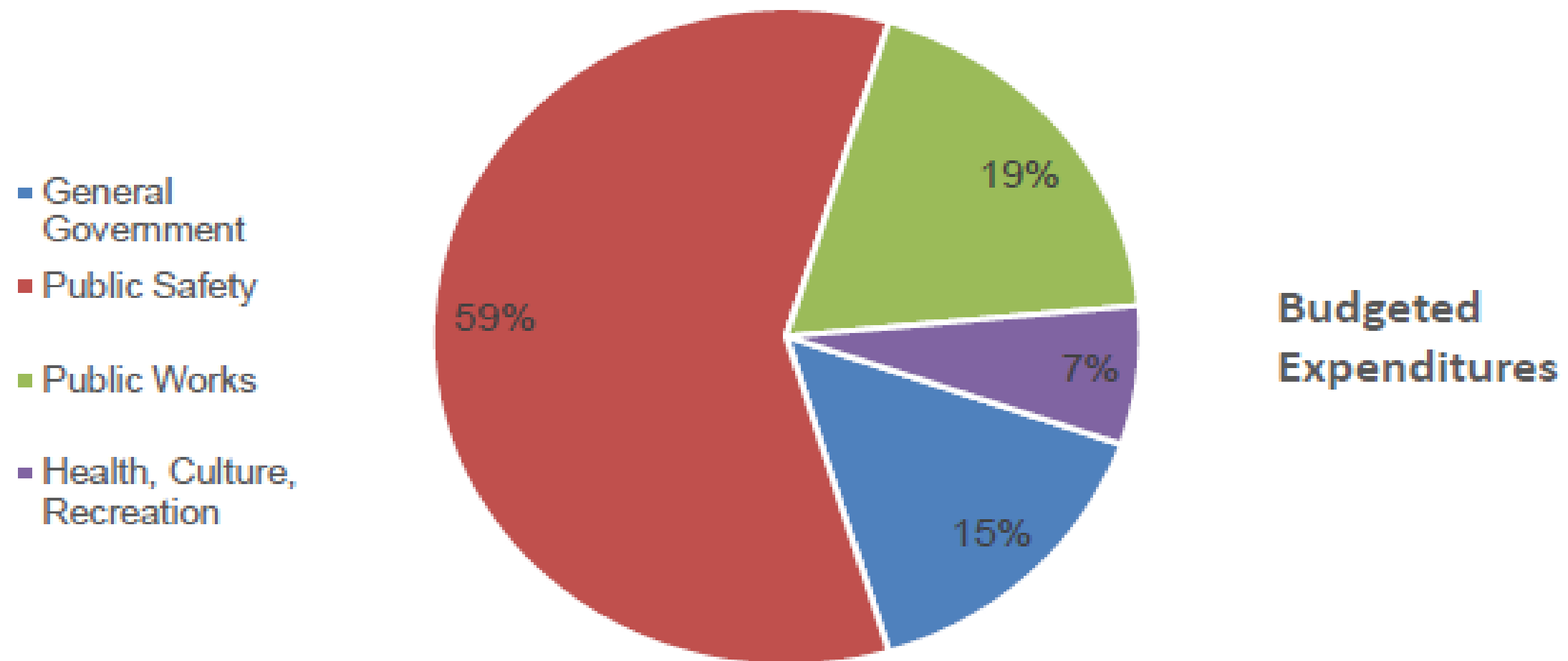
Category	2022 Amount	Change from 2021
General Government	\$9,841,867	-5.5%
Public Safety	\$38,782,180	+2.1%
Public Works	\$12,297,112	-4.4%
Health, Culture, and Recreation	\$4,423,365	-7.8%





# Where does the money go?

## General Fund Expenditures



# Historical/Background Information

## Equalized Value

- 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

## Assessed Value

- 2021 - \$3,954,337,790 (est.)
- 2020 - \$3,918,312,400
- 2019 - \$3,882,330,800
- 2018 - \$3,710,465,900
- 2017 - \$3,751,889,600

## Local Tax Rate

- 2021 - \$12.06 (est.)
- 2020 - \$11.91
- 2019 - \$11.56
- 2018 - \$11.53
- 2017 - \$11.26

## Overall Tax Rate

- 2021 - \$28.2000 (est.)
- 2020 - \$27.9047
- 2019 - \$27.1550
- 2018 - \$27.4842
- 2017 - \$28.2776

## 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

## 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

# Next Steps

- Administration and Finance Meeting on October 25, if needed
- Obtain remaining information from state
- Calculate proposed tax rate
- Provide additional information as needed
- Public Hearing on November 2
- Council consideration of Recommended Budget on November 16



If the budget is so bad, why are you \_\_\_?

- Spending money on marketing activities and gateway signs?
  - The Tourism Commission has funding from room tax that must be used on tourism promotion and tourism development; in the past this has been used on marketing activities and city gateway signs, these activities are likely to continue with this funding source
- Spending money on murals?
  - The West Allis Living Streets program which is part of the Artscape Committee Activities receives funding for the murals from the First-Ring Industrial Redevelopment Enterprises (FIRE), a regional community development entity, run through the City of West Allis' Economic Development Department. More murals and art activities are planned using this funding source.
- Spending money on adding parks and things like the Burnham Streetscaping?
  - Economic Development and amenities has and continues to be a priority for the City. Money used in these projects is a combination of grant funding and other non-levy sources. It does include allocations from the GF due to the prioritization of the initiatives as well as positive effects on the community (additional development, desirable neighborhoods, etc.)



**I heard the City is getting over \$30 million from the Federal government from the American Rescue Plan Act (ARPA), why can't the city just use that?**

There are limitations on the spending of the ARPA money, ineligible uses include:

- General infrastructure other than water, sewer, storm, and broadband
- Debt payments and issuance costs
- Legal settlements or judgments
- Deposits to pension funds
- Certain premium pay amounts
- Operating costs except as they relate to public health responses and negative impacts of COVID- 19

Failure to comply with the guidelines for use, will required repayment of the initial allocation (50% of the money), and loss of the future allocation (other 50% of the money)

- For additional details, view the Common Council Committee of the Whole meeting from June 15, 2021



# Questions?

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