



**SPECIAL COMMON COUNCIL AGENDA
MONDAY, NOVEMBER 4, 2019
6:00 P.M.
COUNCIL CHAMBERS, CITY HALL – 421 MICHIGAN ST
DAVID J. WARD, MAYOR**

1. Pledge of Allegiance.
2. Roll call.
3. Adoption of agenda.
4. Public hearing on tentative FY2020 budget as published.
5. Consideration and approval of Resolution for Budget Adoption and Tax Levy.
6. Adjourn.

NOTE: DEVIATION FROM THE AGENDA ORDER SHOWN MAY OCCUR

Posted:

Date: 10-31-19

Time: 3:00 pm

By: UM



MEMO

To: Mayor & Common Council
From: Joshua Van Lieshout, City Administrator
Valerie Clarizio, Finance Director/City Treasurer
Subject: 2020 Budget
Date: October 31, 2019

Please make sure to bring your budget binders, and updated budget summary (Goldenrod summary) from the October 14th Common Council meeting to the Special Common Council meeting scheduled for 6:00 p.m. on November 4, 2019, at which time the public hearing on the 2020 budget will be held. The public hearing is to be held on the budget that was tentatively approved by the Council on the 14th. Since that time, staff has received from the State of Wisconsin the actual assessed value of the city and the notice of budget limit for expenditure restraint purposes. As a result, some minor adjustments to the budget will need to be considered by the Common Council after the public hearing but before the final budget approval. Those items are detailed below along with some other budgetary information.

Budget Tax Summary Update

The City has not yet received the Notice of State School Levy Tax Credit or the Tax Increment Calculation worksheet from the state; therefore, the final tax rate calculations are not included in the budget documents. The budget tax summary sheets will be updated and distributed upon receipt of the aforementioned notices and information.

Shared Revenue Update

The City has received the final Expenditure Restraint Program (ERP) information for 2019. Per the State of Wisconsin, Department of Revenue, the City is allowed to increase its 2020 general fund budget by no more than 2.5% over the 2019 general fund budget in order to qualify for the ERP payment. The budget prepared for the public hearing was based upon estimates and needs to be adjusted slightly in order to protect the City's expenditure base/capacity in future years and comply with the state mandate. Adjusting the general fund contingency line item by \$46,500 will accomplish this task without impacting the tax levy. The motion in **bold** below should be made following the public hearing and prior to adopting the budget resolution.

Motion to decrease the General Fund Contingency line item by \$46,500 and offset the decrease to contingency by decreasing the appropriated general fund balance by \$46,500.

TID Update

As you may remember from the October 14, 2019 meeting of the Common Council, the City did not yet have all of the information needed to calculate the TID tax increment numbers; therefore, estimates were inserted into the budget document at that time in order to proceed with the public hearing on the 2020 budget. As of today, the Tax

Increment worksheet provided by the State of Wisconsin is still unavailable. However, enough information has been provided to the City for staff to calculate a more accurate estimate than what was previously provided to you in the budget hearing document.

	Previous Tax Increment Estimate	Revised Estimate	Difference
TID #1	\$ 818,185.33	\$ 816,778.28	(\$1,407.05)
TID #2 Original Area	\$1,117,178.55	\$1,114,879.73	(\$2,298.82)
TID #2 Amended Area	\$ 219,567.08	\$ 219,567.08	\$ 0
TID #3	\$ 48,382.43	\$ 48,299.22	(\$ 83.21)
TID #4	\$ 130,652.24	\$ 130,427.56	(\$ 224.68)

	Previous Transfer Estimate	Revised Estimate	Difference
TID #1 to TID #2	\$818,185.33	\$816,778.28	(\$1,407.05)
TID #4 / Bay Lofts	\$102,160.00	\$102,160.00	\$ 0

After the public hearing, and prior to adopting the budget resolution, it would be appropriate for the Council to make a motion to insert the aforementioned tax increment and transfers into the 2020 budget. The motion in **bold** below should be made following the public hearing and prior to adopting the budget resolution.

Motion to update the TID #1, TID #2, TID #3, TID #4 2020 budgeted tax increment numbers and transfers as per the Finance Director's memo dated October 31, 2019.

Capital Budget Adjustment

As mentioned above, the City has received the final assessed value for the entire city. This number is slightly different from the estimate staff had been using to project the levy and tax rate. Because the assessment came in slightly less, the result was an increase to the projected tax rate. In effort to keep the city's tax rate increase near to the projection we've been working with, an option would be to pre-purchase some qualifying 2020 capital fund items with surplus funds identified in the 2019 capital budget. Those items include:

Chairs for the Council Chambers	\$ 5,100
Fire Department Hoses	\$ 2,500
Water Pump (Mobile)	\$15,000
Tool Box	\$ 4,000
Ice Rink Flooding Hoses	\$ 3,000
Picnic Tables for Graham Park	<u>\$ 5,000</u>
Total	\$34,600

The motion in **bold** below should be made following the public hearing and prior to adopting the budget resolution.

Motion to remove the above list of items from the proposed 2020 Capital Budget and purchase them in 2019 using capital surplus. Thereby, reducing the proposed capital fund levy in the amount of \$741,220 to \$706,620.

Budget and Levy Adoption Resolution

Attached to the Common Council packet is a proposed resolution for budget adoption and tax levy showing a levy in the amount of \$7,048,988. Once your budget is in place it would be appropriate to present the resolution.

Read resolution.

Motion to adopt the resolution for Budget Adoption and Tax levy.

CITY OF STURGEON BAY
2020 BUDGET SUMMARY

The City of Sturgeon Bay's detail budget is available for public inspection at the City Hall, 421 Michigan Street from 8:00 a.m. - 4:30 p.m., Monday - Friday.

The public hearing on the 2020 budget will be held at 6:00 p.m., or shortly thereafter, November 4, 2019 at City Hall, 421 Michigan Street.

The following is the general fund proposed budget for 2020.

2020 PROPOSED BUDGET

	2019 Budget	2019 Actual/ Estimated	2020 Proposed	Percentage Change Increase (Decrease)
REVENUES:				
Local Property Taxes	6,380,602.00	6,380,675.00	6,342,368.00	
Taxes (Other than property)	1,158,000.00	1,160,205.00	1,223,490.00	
Special Assessments	0.00	0.00	0.00	
Intergovernmental Revenues	1,544,255.00	1,557,315.00	1,545,825.00	
Licenses & Permits	155,620.00	167,780.00	163,890.00	
Fines, Forfeits & Penalties	34,000.00	34,000.00	34,000.00	
Public Charges for Service	161,900.00	159,615.00	150,970.00	
Intergovernmental Charges	519,395.00	519,300.00	534,100.00	
Commercial Revenue	110,950.00	103,090.00	107,725.00	
Miscellaneous Revenue	609,625.00	683,100.00	711,565.00	
Revenue Applied to Reserves	0.00	0.00	0.00	
Revenue Apportioned to Other Funds	0.00	0.00	0.00	
Other Financing Sources/Uses	0.00	0.00	0.00	
Loan Proceeds	1,408,483.00	1,397,825.00	1,619,997.00	
Appropriated Balances	12,082,830.00	12,163,105.00	12,433,930.00	2.91%
Total Revenues				

EXPENDITURES:

General Government	3,518,655.00	3,451,680.00	2,960,155.00	
Public Safety	4,608,085.00	4,560,720.00	5,132,100.00	
Health & Human Services	184,545.00	169,610.00	179,885.00	
Public Works	1,275,300.00	1,178,225.00	1,320,975.00	
Recreation	833,920.00	761,910.00	868,550.00	
Conservation & Development	364,525.00	364,540.00	391,015.00	
Other Financing Uses	124,490.00	118,385.00	127,795.00	
Debt Service	1,173,310.00	1,182,830.00	1,453,455.00	
Total Expenditures	12,082,830.00	11,787,850.00	12,433,930.00	2.91%

Excess (deficiency) of revenues
over expenditures

FUND BALANCE

Following are the proposed budgets for all funds of the City for 2020.

2020 PROPOSED BUDGET
ALL FUNDS OF THE CITY

	GENERAL FUND	CAPITAL PROJECTS FUND	TAX INCREMENTAL TID DISTRICT #1	TAX INCREMENTAL TID DISTRICT #2	TAX INCREMENTAL TID DISTRICT #3	TAX INCREMENTAL TID DISTRICT #4	REVOLVING LOAN FUND	CABLE TV FUND	SOLID WASTE ENTERPRISE FUND	UTILITIES	TOTAL
Total Revenues	12,433,930.00	5,332,715.00	881,510.33	2,250,155.96	70,382.43	3,812,751.72	31,230.00	153,000.00	541,705.00	21,077,957.00	46,585,317.44
Total Expenditures	12,433,930.00	5,332,715.00	818,185.33	1,508,188.30	130,172.87	6,035,578.23	11,300.00	109,725.00	453,170.00	21,916,805.00	48,751,765.73
Excess (deficit)	0.00	0.00	63,325.00	741,967.66	(59,790.44)	(2,222,846.51)	19,930.00	43,275.00	88,535.00	(840,848.00)	(2,166,452.29)
Balance - January 1, 2020	6,531,034.66	2,376,459.76	352,058.03	1,927,229.81	703,143.29	1,003,183.46	495,872.65	174,822.72	49,246.00	7,358,170.00	20,871,220.38
Balance - December 31, 2020	4,999,837.66	2,125,942.76	415,383.03	2,669,197.47	643,352.85	(1,219,663.05)	515,802.65	218,097.72	137,781.00	6,517,322.00	18,804,788.09
Property Tax Contribution	6,342,368.00	741,220.00	818,185.33	1,336,745.63	48,382.43	130,652.24				942,850.00	

Dated this 15th day of October, 2019

Stephanie L. Reinhardt, City Clerk

Publication Date: October 19, 2019

2020 BUDGET SUMMARY

10/31/2019

	<u>2019 Budget</u>	<u>2019 Projected</u>	<u>2020 Budget</u>
<u>EXPENSE</u>			
OPERATING	10,909,520.00	10,605,020.00	10,933,975.00
DEBT SERVICE - GF	1,173,310.00	1,182,830.00	1,453,455.00
CAPITAL	6,825,497.00	3,526,035.00	5,298,115.00
<u>TOTAL</u>	18,908,327.00	15,313,885.00	17,685,545.00
<u>REVENUE</u>			
TAX LEVY - OPERATING	5,207,292.00	5,207,292.00	5,169,823.00
TAX LEVY - DEBT	1,173,310.00	1,173,310.00	1,172,545.00
TAX LEVY - CAPITAL	457,395.00	457,395.00	706,620.00
TAX LEVY - TOTAL	6,837,997.00	6,837,997.00	7,048,988.00
GENERAL OPERATING REVENUE	4,293,745.00	4,384,678.00	4,471,565.00
CAPITAL REVENUE	5,896,640.00	2,586,070.00	4,340,978.00
LESS RESERVE REVENUE - OPERATING	0.00	0.00	0.00
LESS RESERVE REVENUE - CAPITAL	(9,200.00)	(92,175.00)	(15,500.00)
APPROPRIATED BALANCES - GENERAL FUND	1,397,825.00	1,397,825.00	42,300.00
APPROPRIATED CAPITAL RESERVES	126,500.00	238,600.00	248,000.00
APPROPRIATED BUDGET SURPLUS - OPERATING	0.00	0.00	375,255.00
APPROPRIATED BUDGET SURPLUS - CAPITAL	354,162.00	354,162.00	18,017.00
APPROPRIATED GENERAL FUND RESERVES	10,658.00	0.00	1,155,942.00
APPROPRIATED CAPITAL UNDESIGNATED RESERVES	0.00	0.00	0.00
<u>TOTAL</u>	18,908,327.00	15,707,157.00	17,685,545.00
SURPLUS (DEFICIT)	0.00	393,272.00	(0.00)

RESOLUTION FOR BUDGET ADOPTION AND TAX LEVY

WHEREAS, the Common Council is appropriating the necessary funds for the operation of the government of the City of Sturgeon Bay for the year 2020, and;

WHEREAS, the Common Council is adopting the 2020 Budget.

NOW THEREFORE, BE IT RESOLVED, there is hereby levied a tax of \$7,048,988 on all taxable property within the City of Sturgeon Bay.

* * * *

Read by _____.

Moved by Alderperson _____, and seconded by Alderperson _____ that said resolution be adopted.

Passed by the Council on the _____ day of _____, 2019.