

**CITY OF  
WATERLOO, WISCONSIN  
2023 MUNICIPAL BUDGET  
DELIBERATIONS  
Finance, Insurance &  
Personnel Committee  
Recommended Budget  
-- Narrative --**

**Mike Tschanz, Treasurer/Deputy Clerk  
November 10, 2022 Revised 1/16/2023**



## BUDGET DELIBERATION PROCESS

On July 6th, 2022 Mayor Quimby issued budget parameters for the process:

CAPITAL PLAN SUBMITTAL DUE DATE. Department Heads are to submit a capital plan for at least the 2023-2027 period on or before July 13, 2022 (more out-years are welcomed). The plan is to consist of revisions to the existing plan. Capital expenditures will be the primary early focus of the budget process.

COMPLETE BUDGET SUBMITTAL DUE DATE. All Department Heads are to submit a complete 2023 budget submittal on or before August 4, 2022 to the Clerk/Treasurer's Office using the miViewPoint budgeting tool and other means provided.

GENERAL FUND BUDGET PARAMETERS. For the Clerk/Treasurer's Office, Mayor Office, Police Department, Public Works Department -- and other parts of the General Fund -- 2023 operational budget submittals are to be at, or below, the 2022 expenditure figure. NOTE: Expense for wages & benefits are excluded from the above calculation.

PROPERTY TAX LEVY TARGET. The 2023 municipal property tax levy target is: \$2,009,429. This figure is the same as the 2022 tax levy. We will attempt to increase to the maximum amount thru our levy limit.

WAGE RATE. The 2023 wage rate goal is for abide by contract levels for represented employees and for a 2% increase for non-represented employees.

GAS FUEL RATE FOR BUDGETING. The estimate of \$5.00 per gallon is to be used when calculating fuel purchase expenditures.

CONTRACTUAL OBLIGATIONS. Budget for contract items per the terms of the respective contract.

HEALTH INSURANCE BENEFIT. Submit budgets for health insurance benefits at the current year levels. Projected increases will be established as part of the overall deliberations.

The Finance, Insurance & Personnel Committee members (Alders Thomas, Kuhl and Weihert) met in public session on August 23<sup>rd</sup>, August 25<sup>th</sup>, August 31<sup>st</sup>, September 15<sup>th</sup>, September 22<sup>nd</sup>, September 29<sup>th</sup>, October 10<sup>th</sup>, October 12<sup>th</sup>, October 20<sup>th</sup> and October 27<sup>th</sup>. It reviewed department submittals, had a dialogue with department heads and received citizen input.

On October 27, 2022, the Committee is scheduled to recommend a 2023 budget for City Council consideration. A budget summary has been scheduled for publication in the official newspaper, the Courier, on November 3, 2022.

A public hearing is scheduled for November 17, 2022 at 7:00 pm in the Council Chambers. Council consideration will take place the same night. After a budget is approved, property tax bills will be prepared and mailed by mid-December.

## MUNICIPAL FUNDS DESCRIBED

The General Fund (Fund 100) accounts for the bulk of municipal operations including legislative and general government, elections, property assessment, police administration & police patrol, building & zoning inspections & permit issuance, civil defense, public works and planning.

The General Fund along with the funds listed below represent the Governmental Funds maintained by the City of Waterloo.

Separate stand-alone funds exist to account for the specific revenues and expenditures of the following:

- 200 – CATV/WLOO Cable TV Stations. Charter cable television stations channels 991 and 992.
- 201-204 Four Impact Fee Funds. All activity in these Impact Fee funds was suspended by 2019 Council action therefore the 2023 budget for them is zero revenues and zero expenditures.
- 220 – Waterloo Fire Department Fund. Includes both operations and capital considerations for Waterloo Fire and Emergency Medical Services. The department serves the City of Waterloo and all, or a portion, of the Town of Waterloo, Town of Portland, Town of Shields and Town of Milford.
- 225 – Parks Special Revenue Fund. Includes all revenues & expenses for municipal parks, along with capital expenditure for parks.
- 300 – Debt Service Fund. Municipal debt excluding debt incurred by Waterloo Utilities.
- 400 – Capital Fund. Includes capital projects and equipment purchases for the departments in the General Fund.
- 402 – Special Assessment Fund. Maintains and tracks revenues and expenditures resulting from special assessment projects (typically sidewalk or other public infrastructure) approved by the City Council. Additionally, municipal loans to property owners for private lead service replacements are recorded and tracked in this fund.
- 412, 413, 414 – Tax Incremental Districts 2-4. These three funds maintain and track all new revenue (tax increment) and allowed expenditures for geographically distinct tax incremental finance districts created by the City Council. Each district has a statutory lifespan of approximately twenty-three years.
- 600 – Community Development Authority. The Waterloo Community Development Authority (CDA) is charged with blight elimination and economic development functions. This fund receives revenue from the rental of the Mauneshia Business Center at 117 East Madison Street. Rental revenue is meant to cover recurring operational expenditures. The Waterloo City Band and the Waterloo-Marshall Food Pantry use the facility. No revenue is collected from the band or food pantry.
- 812 – Library Special Revenue Fund. Dedicated to the operations and facility care of the Karl Junginger Memorial Library.
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Three City of Waterloo funds not covered here operate under the auspices of Waterloo Utilities (water, sewer and electric) represent the Proprietary Funds maintained by the City of Waterloo.

- Waterloo Utilities. The public utility owned by the City of Waterloo provides water, sewer and electric service within the City of Waterloo and water & sewer service to a portion of the Town of Portland. As part of its financial responsibilities, Waterloo Utilities maintains three separate funds to account for each of these services.

## REVENUE HIGHLIGHTS

Allocation State Computer Aid. \$150,000 in State Computer Aid is allocated to the Parks Department. \$287,441 is allocated to the Capital Fund.

Municipal Vehicle Registration Fee. In September of 2022, the City Council voted to continue a \$15 per vehicle registration fee collected as part of the Wisconsin Department of Transportation vehicle registration process. The fee will generate an estimated \$47,000 annually which by state law would be dedicated to transportation

improvements. In 2023 the fee funds a portion of the capital budget which includes the reconstruction of Portland Road.

Municipal Borrowing. The budget calls for 2023 borrowing of an estimated \$502,732 to fund Waterloo Road, Sealing and the Library Parking Lot. A first payment on these long-term debt proceeds will not be made until 2024.

State Aids.

- Shared Revenue is slated for decrease from \$453,259 to \$450,503
- General Transportation Aid, decrease from \$256,829 to \$250,839
- DNR Recycling Aid is projected to remain at \$12,379.

Facility Charge by General Fund to Cable TV Fund. The proposed budget maintains an annual transfer from the Cable TV Fund (200) to the General Fund (100) covering the cost of cable station utilities and other facility expenses at \$4,300.

## EXPENDITURE HIGHLIGHTS

Police Department Staffing. Additional hiring in 2023 to fill previously unfunded and vacant positions. This amounts to an 13% increase in wages and roughly 18% increases in social security, retirement expenses. The additions generate an increase of 21% for health insurance premiums for this department.

Employee Wages. The Finance, Insurance & Personnel Committee is recommending the following:

- Two percent wage increases for non-represented employees except for the Parks Bartenders and Election Officials.
- Mayor salary increase from \$4,000 to \$6,000
- Special Finance Meeting Payments for Committee members - \$450
- Employees covered under the collective bargaining agreement (Police Patrol officers) receive a 1% increase per the terms of their contract in January and another 1% increase in September of 2023 per collective contract.

Employee Benefits.

The City offers employees a health insurance benefit program administered through the State of Wisconsin Department of Employee Trust Funds. The employer pays 88% of the average premium costs of qualified Tier 1 health plans within Jefferson County.

Liability Insurance, Property Insurance and Worker's Compensation Insurance. Amounts vary across departments but in the aggregate insurance premiums for liability, property and worker's compensation are not expected to increase. The arrival of new assets such as the new Fire Department Truck is an example of one anticipated increase.

Economic Development. \$12,500 of the Clerk/Treasurer's salary is an expense for Tax Incremental District No. 2.

Economic Development Coordinator Contract costs are split between TID 2 and TID 4. \$26,000 per fund.

## ADDITIONAL HIGHLIGHTS - BY FUND AND DEPARTMENTS

CATV (200). Revenues are \$46,065 for Budget year. Expenses are at \$97,747. Showing a deficit of \$48,682. They will apply fund balance of \$48,862 to balance their budget.

Waterloo Fire Department (220). The revenue tax share from each of the municipalities served (City of Waterloo, Town of Waterloo, Town of Portland, Town of Milford and Town of Shields) The distribution of the respective shares changed due to changes in the equalized value of property. For the 2023 budget the City of Waterloo tax share increased from \$284,663 to \$292,317

The Department has two full-time employees and more than thirty paid volunteers.

The Department annually sets-aside dollars for major apparatus purchases. This sum is \$110,000 . In 2023, total revenues greater than expenditures is budgeted by \$148,837

Parks Department – Revenue Fund (225). Proposed revenue is decreased from \$360,910 to \$349,010, from the prior year. Expenditures are expected to increase from budgeted \$343,485 to \$346,514. They are showing a surplus of \$2,495 at year end.

The Department has a full-time Parks Coordinator, two part-time seasonal groundskeepers and seasonal bartenders.

Debt Service (300). Governmental fund debt service (non-Utility) is budgeted to pay principal of and interest of \$628,615. Revenue is transferred from tax incremental finance districts to this fund to specifically cover debt service incurred by the respective Districts. Taxes are levied to specifically cover debt service for capital projects.

Capital Projects (400). The proposed budget allocates \$287,441 in State Computer Aid and \$0 (zero) in tax levy to fund projects. All General Transportation Aid, \$250,829 and Wheel Tax, \$47,000 are also dedicated to funding capital projects.

Reconstruction of Waterloo Road, Seal coating and possibly the Library Parking Lot are the projected Steet project expenses at \$502,732.

See the 5 Year Capital Plan (2023-2027) for current and future year department plans.

Special Assessment Fund (402). This fund tracks special assessments and lead loan program loans. No new special assessments are anticipated.

Tax Incremental District #2 (412). Revenue of \$150,955 is made up primarily of tax increment and fees paid in lieu of taxes from the Hawthorne & Stone and 575 West Madison Street. Top expenditures payments to our Economic Development Contractor for \$26,000.

Tax Incremental District #3 (413). \$97,156 in revenue and \$115,102 in expense are projected, adding a net deficit of \$17,405. Expenditures are for debt service.

Tax Incremental District #4 (414). \$50,137 in Revenue. \$29,550 of Expenses. Economic Development contract of \$26,000 major expense

Community Development Authority District #1 (600). Projected revenue consists of tax levy and building rental fees. Expenditures are focused on operation of the Mauneshia Business Center at 117 East Madison.

Karl Junginger Memorial Library (812). The municipal contribution to this fund decreased from \$210,500 to 205,000. This fund has an anticipated deficit of \$13,765 a figure which off-set by \$13,765 in applied fund balance brings the fund into balance.

## DISCLAIMER

The full budget detail associated summaries and this narrative represent the full budget resolution going before the City Council for consideration. All documents are posted on the municipal website ([www.waterloowi.us](http://www.waterloowi.us) ).