

CITY OF  
WATERLOO, WISCONSIN  
2024 MUNICIPAL BUDGET  
DELIBERATIONS

**Finance, Insurance &  
Personnel Committee  
Recommended Budget  
-- Narrative --**

Lana Nelson, Treasurer

November 16, 2023

## BUDGET DELIBERATION PROCESS

On June 27, 2023, 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 2024-2028 period on or before July 24, 2023 (more out-years are welcomed). The plan consists of revisions to the existing plan. Capital expenditure will be the primary early focus of the budget process.

COMPLETE BUDGET SUBMITTAL DUE DATE. All Department Heads are to submit a complete 2024 budget submittal on or before July 24, 2023, 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 -- 2024 operational budget submittals are to be at, or below, the 2023 expenditure figure. NOTE: Expense for wages & benefits are excluded from the above calculation.

PROPERTY TAX LEVY TARGET. The 2024 municipal property tax levy target is: \$2,274,432. This figure is slightly higher than the 2023 \$2,220,055 tax levy. We will attempt to increase to the maximum amount through our levy limit.

WAGE RATE. A 3-year agreement was reached between the City of Waterloo and the Waterloo police department. The wages under the union contract are as follows:

1/1/2024 7%  
1/1/2025 3.5%  
8/1/2025 1.5%  
1/1/2026 3.5%  
8/1/2025 1.0%

The 2024 wages for non-represented employees were based per department. The focus of 2024 was to research and evaluate a department/employee's wage based on comparisons of municipalities in the surrounding areas.

GAS FUEL RATE FOR BUDGETING. The estimate of \$4.00 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 10<sup>th</sup>, August 17<sup>th</sup>, August 22<sup>nd</sup>, August 29<sup>th</sup>, September 7<sup>th</sup>, September 21<sup>st</sup>, October 19<sup>th</sup> and October 23<sup>rd</sup>. It reviewed department submittals, had a dialogue with department heads and received citizen input.

On October 23, 2023, the Committee is scheduled to recommend a 2024 budget for City Council consideration. A budget summary has been scheduled for publication in the official newspaper, the Courier, on November 2, 2023.

A public hearing is scheduled for November 16, 2023, 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.
- 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, 415 – Tax Incremental Districts 2-5. These four 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 Maunessa 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.

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. \$155,000 in State Computer Aid is allocated to the Parks Department. \$282,782 is allocated to the Capital Fund.

Municipal Vehicle Registration Fee. On August 17<sup>th</sup>, 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.

Municipal Borrowing. The budget for 2024 does not call for borrowing.

### State Aids.

- Shared Revenue is slated to decrease from \$450,503 to \$449,157.
- General Transportation Aid increased from \$250,839 to \$293,444.
- DNR Recycling Aid is projected to remain at \$12,379.
- Supplemental Shared Revenue Aid for 2024 is \$90,909,31
- Jefferson County Road Aid – Program has ended, and all funds must be used by 2024 \$52,768.

Facility Charge by General Fund to Cable TV Fund. Effective March 2023, CATV moved to 575 W Madison St so the annual transfer to cover cost of utilities and facility expenses at City Hall from Cable TV Fund 200 to the General Fund (100) has ended. Prior expenses were estimated at \$4,300.00.

## EXPENDITURE HIGHLIGHTS

Police Department Staffing. Current opening for a full-time Lieutenant to fill in 2024. The 2024 budget has allocated for wages and all benefits associated with this hire. No other positions for 2024 are open currently.

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

- Wage increases for non-represented employees except for the Park Bartenders and Election Officials. Wages were determined by departments and based on a comparison of municipalities in surrounding areas.
- Employees covered under the collective bargaining agreement (Police Patrol Officers) will receive a 7% increase on 1/1/2024 per the terms of their 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.

\$14,788 (25%) of the City Clerk's salary is an expense for Tax Incremental District No. 2.

Economic Development Coordinator Contract costs are split between TID 2 and TID 4. The amount has decreased from \$52,000 to \$45,000 effective 1/1/2024.

### ADDITIONAL HIGHLIGHTS – BY FUND AND DEPARTMENTS

CATV (200). Revenues are \$50,065 for the 2024 budget year and expenses of \$50,065. Reduction in CATV coordinator's hour from  $\frac{3}{4}$  time to  $\frac{1}{2}$  time along with cuts in spending to balance the 2024 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 2024 budget the City of Waterloo tax share decreased from \$292,317 to \$291,231.

The department has two full-time employees and more than thirty paid volunteers. The department was approved to hire a 3<sup>rd</sup> full-time employee in 2024.

The Department annually sets aside dollars for major apparatus purchases. This sum has been decreased from \$110,000 to \$55,000 in 2024.

Parks Department – Revenue Fund (225). Proposed revenue increased from \$349,010 to \$391,057 from the prior year. Expenditures are expected to increase from the budgeted \$346,514 to \$391,057.

The department has a full-time Parks Coordinator and seasonal bartenders.

Debt Service (300). Governmental fund debt service (non-Utility) is budgeted to pay principal of and interest of \$616,976. 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 \$282,782 in State Computer Aid and \$0 (zero) in tax levy to fund projects. All General Transportation Aid, \$293,444 and Wheel Tax, \$47,000 and Jefferson County Aid \$52,768 are also dedicated to current and future capital projects.

Seal Coating and the Municipal Parking Lot are projected project expenses at \$630,000.

See the 5 Year Capital Plan (2024-2028) 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 \$196,307 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 \$22,500.

Tax Incremental District #3 (413). \$104,960 in revenue and \$118,870 in expense are projected, adding a net deficit of \$13,910. Expenditures are for debt service.

Tax Incremental District #4 (414). \$38,038 in Revenue. \$26,000 of Expenses. Economic Development contract of \$22,500 major expenses.

Tax Incremental District #5 (415). Created in 2022, has incurred expenses of \$32,811.94 which has been approved to from TID 2. TID 2 will be paid back when funds become available in TID 5.

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

Karl Junginger Memorial Library (812). The municipal contribution to this fund remained the same for 2024 at \$205,000. This fund has an anticipated deficit of \$5,042, a figure which off-set by \$5,042 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)).

[https://waterloowi.sharepoint.com/sites/Fileshares/data/Common/TREASURER/BUDGET\\_2023/11 - FINANCE COMMITTEE PROPOSAL/2020-10-21BudgetNarrative/2020-10-26FinanceCommBudgetNarrative.docx](https://waterloowi.sharepoint.com/sites/Fileshares/data/Common/TREASURER/BUDGET_2023/11 - FINANCE COMMITTEE PROPOSAL/2020-10-21BudgetNarrative/2020-10-26FinanceCommBudgetNarrative.docx)  
10/26/2020 2:03 PM