

City of Two Rivers 2012 Budget Highlights

--City Budget as Adopted November 28, 2011--



City of Two Rivers 2012 Budget Highlights

**With all funds taken into account,
Two Rivers City Government is a
\$30 million annual operation**

City of Two Rivers
2012 Budget Highlights

Property Tax

Supported Funds

City of Two Rivers

2012 Budget Highlights

Tax-supported funds include the:

- General Fund, with operating budgets that include Police, Fire, Public Works, Parks and Recreation, and General Gov't.
- Library Operating Budget
- Debt Service Budget

City of Two Rivers

2012 Budget Highlights

Tax-Supported Funds

General Fund (1 of 4)

1. At \$9,506,358, proposed General Fund Budget is down \$172,439, or 1.8%, from 2011
2. 2012 proposed budget is up only 5.6% from the year 2000
3. State-source revenue down \$139,660 from 2011, mostly from cuts to State Shared Revenues (SSR) & Trans. Aids

Note: Current State Budget cut funding for SSR by \$96 mm, or 10%; this major source of local gov't revenue is funded at a lower level today than in 2000; in the meantime, total State spending has increased over 50%. Adjusted for inflation, funding for SSR is down by over 45% since 2000; as a % of total State spending, it has gone from 15% to less than 6%.

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2012 Budget Highlights

Tax-Supported Funds

General Fund (2 of 4)

4. State-imposed freeze on local operating levies means property taxes in support of this budget cannot be increased in 2012 or 2013; taxes are unchanged, at \$1,911,237.
5. In a budget that's 85 percent personnel costs, savings must be achieved in the area of wages and benefits
 - Mandatory WRS contributions by non-protectives save \$120,000
(Note: would be \$280,000 if protectives were included)
 - Changes in health ins. benefits (increased deductibles and out-of-pocket expenses) keep premiums at 2011 levels, saving \$80,000
(Note: Average increase over the past 7 years has been 3%)

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2012 Budget Highlights

Tax-Supported Funds

General Fund (3 of 4)

5. In a budget that's 85 percent personnel costs, savings must be achieved in the area of wages and benefits
(continued)

--Eliminating City-funded HRA's for Fire Union employees plus Police and Fire management, saves \$32,000

(Note: Eliminating for Police Union in 2013 will save \$21,000)

--Eliminating annual deductible reimbursements for AFSCME-represented employees saves about \$10,000

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2012 Budget Highlights

Tax-Supported Funds

General Fund (4 of 4)

5. In a budget that's 85 percent personnel costs, savings must be achieved in the area of wages and benefits (continued)

--Wage freeze for all employees except police and fire bargaining unit employees saves about \$50,000 (compared to a 2% increase budgeted for police and fire union members)

(Note: For non-union and AFSCME-represented employees, this will be year 3 of a wage freeze, for management it will be year 4)

--Eliminating 4 full-time positions: Police Lt., DPW Mechanic, FF/Paramedic through attrition; and Ec Dev Supervisor through early retirement—saves about \$220,000 in 2012

(Note: City has reduced its full-time workforce from 140 to 110 over the past eight years)

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Tax-Supported Funds

Library Fund

- 1. Library Budget is adopted by the Library Board; City Council's role is to determine the amount of City tax levy support**
- 2. 2012 Operating Budget, at \$793,372, is down \$58,389 or 6.9% from 2011, reflecting reduced County Aid and reduced use of fund balance**
- 3. City levy for Library operations unchanged from 2011, at \$563,362**

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2012 Budget Highlights

Tax-Supported Funds

Debt Service Fund

- 1. Debt Service Fund provides funds for principal and interest payments on general obligation debt issued in past years for capital projects**
- 2. 2012 debt service payments will increase by \$159,211, from \$1,948,406 to \$2,107,617**
- 3. This equates to an increase of 3.7 percent in the City property tax levy, 3.07 percent in the City's share of the total tax rate**
- 4. Increase amounts to about \$30 for the owner of a \$100,000 assessed property**

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Tax-Supported Funds

Property Tax Impact

- Proposed 2012 increase in City taxes = 3.15%
- Amounts to \$30 for a \$100k assessed property
- Since 2000, City tax rate has increased by 31.68%;
average of 2.3% per year
- City share of tax bill on a \$100k property has increased
from \$729 to \$960 in 12 years, an increase of \$231
- Components of that increase:
 - \$ 62.60 for General Fund operating budget (27.1%)
 - \$162.73 for Debt Service for capital projects (70.4%)
 - \$ 5.70 for Library operating budget (2.5%)

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2012 Budget Highlights

UTILITY FUNDS:

Supported by

User Fees/Charges

City of Two Rivers

2012 Budget Highlights

Utility Funds

640 Solid Waste Fund Highlights

1. \$660,000 budget; includes collection and disposal of refuse & recyclables; street sweeping; bulk leaf collection
2. 2012 operating expenses down 0.8% or \$5,358 from 2011
3. Revenue sources include garbage stickers, monthly environmental fee and State Recycling Grants. State budget cuts will result in loss of \$43,000 in Recycling Grant revenue
4. 50 cent increase in monthly environmental fee is proposed: will generate \$30,000 to help offset \$43,000 in State aid cuts, maintain services



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2012 Budget Highlights

Utility Funds

650 Water Fund Highlights



1. \$2.3 million budget; operating expenses up \$50,008 or 2.2% from 2011
2. Operating budget actually down, except for increase of \$50,000 in allowances for main, hydrant and service repairs.
3. After 27% rate increase in Sept. 2010, 2011 revenues up 12.1% over 2010
4. Budget recommends pursuing a “simplified rate case” in 2012

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2012 Budget Highlights

Utility Funds

660 Electric Fund Highlights



1. \$9.5 million budget; operating expenses up \$438,487 or 4.8% from 2011
2. Entire increase due to projected increase in wholesale cost of power (up \$443,295)
3. Budget shows positive cash flow of \$84,806, net of \$388,500 in plant additions and construction
4. No rate changes recommended for 2012

City of Two Rivers 2012 Budget Highlights Utility Funds

690 Sewer Fund Highlights



1. \$2.4 million budget; operating expenses down \$17,902 or 0.7% from 2011
2. Utility rates were increased 6 percent in 2010 and 2011; rate study currently underway should result in rate adjustment for TR and Mishicot in 2012

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2012 Budget Highlights

Special Revenue Funds

The 2012 Budget also includes spending plans for various **Special Revenue Funds**, including:

- Seven active **Tax Incremental Financing (TIF) Districts**;
- Revolving loan funds** for Economic Development and Housing Rehabilitation, originally funded from State grants;
- The **Tourism Fund**, which utilizes revenues from the local room tax for tourism promotion activities;
- Senior Center Fund**, which taps revenue from various fund-raising activities at the Senior Center to cover the cost of such activities and to help fund Center operations
- EMS/Act 102 Fund**, which accounts for use of State EMS grant funds
- Various other** special revenue funds