

City of Two Rivers 2014 Proposed Budget

--Budget Scheduled for Public Hearing November 25, 2013--



City of Two Rivers 2014 Budget Highlights

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

**City of Two Rivers
2014 Budget Highlights**

Property Tax

Supported Funds

City of Two Rivers 2014 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

2014 Budget Highlights

Tax-Supported Funds

General Fund (1 of 4)

1. At \$9,577,669 General Fund Budget is up \$122,888, or 1.3%, from 2013
2. Budget higher than last year, but lower than in 2002, 2003
3. Maintains existing staffing and service levels
NOTE: City staff has been reduced by 20 percent, from 140 to 114, over the past 10 years; City's total personnel costs have grown by a **total** of 8.4 percent over the decade
4. Provides for pay increases to Police and Fire bargaining units per contract; for other union employees to the extent allowed under Act 10 (1.66 percent); and for non-union employees (2 percent plus a 1 percent allocation for merit raises)

City of Two Rivers

2014 Budget Highlights

Tax-Supported Funds

General Fund (2 of 4)

5. In a budget that's 85 percent personnel costs, keeping wage and benefit costs under control is important.

2014 Budget continues to successfully contain costs for:

- A. Health Insurance, where City premiums will increase by only 2.5% in 2014, following a 1% decline in 2013 (average increase of less than 3 percent per year since 2004).

Further, the premium share paid by employees will increase, from 12.5 percent to 15 percent. All employees' premium shares increased from 10 percent to 12.5 percent in 2013.

Increase to 15 percent will be January 1, 2014 for non-protectives; negotiated to take effect July 1, 2015 for Fire union employees; and must be negotiated with Police union employees.

City of Two Rivers

2014 Budget Highlights

Tax-Supported Funds

General Fund (3 of 4)

5. 2014 Budget continues to succeed in containing costs for (cont'd):

B. Police and Fire pensions costs, due to contract provisions increasing employee contributions to the WI Retirement System

--Fire personnel are now contributing 5%; per new contract, increases to 6% on July 1, 2014 and to rate paid by general employees (now 7%) on January 1, 2015

--Police personnel are now paying 2%; per current contract, increases to 5% on January 1, 2014; any further increase subject to negotiations for a new, 2015 contract

City of Two Rivers
2014 Budget Highlights
Tax-Supported Funds
General Fund (4 of 4)

- 6. No tax increase for City operations;
at \$1,940,810, General Fund tax levy
unchanged from 2013**

City of Two Rivers

2014 Budget Highlights

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. 2013 Operating Budget, at \$838,849, is up \$7,462 or 0.9% from 2013**
- 3. City levy for Library operations unchanged from 2013, at \$563,362**

City of Two Rivers

2014 Budget Highlights

Tax-Supported Funds

Debt Service Fund

1. Provides funds for principal and interest payments on general obligation debt issued in past years for capital projects
2. Tax levy required to make these payments will increase by **\$86,678**, from **\$2,192,617** to **\$2,284,351**; this amounts to **1.85% increase** in total City tax levy
3. 2014 Budget calls for **\$1.6 mm** in new debt, pays off **\$2.0 mm** in current debt principal

City of Two Rivers

2014 Budget Highlights

Tax-Supported Funds

Property Tax Impact

- 2014 increase in City tax rate = 1.57%
- Amounts to \$15.70 for a \$100k assessed property
- Since 2000, City tax rate has increased by 37.6%;
average of 2.3% per year
- City share of tax bill on a \$100k property has increased
from \$729 to \$1,000 in 14 years, an increase of \$271
- Components of that increase:
 - \$ 69.00 for General Fund operating budget (25.4%)
 - \$ 196.53 for Debt Service for capital projects (72.5%)
 - \$ 5.70 for Library operating budget (2.1%)

City of Two Rivers 2014 Budget Highlights

UTILITY FUNDS:

**Supported by User Fees &
Charges; No Tax Support**

--Solid Waste

--Water

--Electric

--Sewer

City of Two Rivers 2014 Budget Highlights Utility Funds

640 Solid Waste Fund Highlights



1. \$662,145 budget; includes collection and disposal of refuse & recyclables; street sweeping; bulk leaf collection
2. 2014 revenues unchanged from 2013, at \$678,300; operating expenses down 2.3%
3. Revenues:
 - Garbage Stickers \$360,000
 - \$3.90 of \$5.00 Environmental Fee \$234,000
 - State Recycling Aid \$83,000
4. No fee increases in 2014; \$1.00 of monthly Env. Fee was shifted from Landfill Fund to this fund in 2013; Fund 640 has balance of \$100,000

City of Two Rivers 2014 Budget Highlights Utility Funds

650 Water Fund Highlights



1. \$2.3 million budget; operating expenses up \$50,514 or 2.23%
2. Rate increase history: 27% September 2010; 3.25% August 2012; 3.00% Nov. 2013.
No rate increase proposed for 2014.
3. Budget proposes one added FT operator/dist. worker position, to meet system needs.
4. Budget shows positive cash flow of \$43,820 for 2013, after debt service and \$181,200 in capital.
5. Utility working to recover from an approximately \$1 million deficit.
6. Budget also includes \$540,000 in 20-year borrowing for water main projects

City of Two Rivers 2014 Budget Highlights Utility Funds **650 Water Fund Highlights**



Water Main Replacement:

2014 projects planned for:

--14th Street, Hawthorne to
Madison, part of DOT's

STH 310 project: **\$255,000**

--18th/School Streets, replace &
loop: **\$285,000**

**Both to be financed with 20-year
debt thru DNR's Safe Drinking**

City of Two Rivers 2014 Budget Highlights Utility Funds

660 Electric Fund Highlights



1. \$9.7 million budget; operating expenses down 0.1% from 2013
2. Most of this this budget comprised of the cost of purchased power (\$7.6 million)
3. Budget shows positive cash flow of \$58,599, after debt service and \$259,000 in plant additions and construction
4. Last rate increase January 2011; rate filing planned for 2014, with projected rate increase of less than 2 percent
5. Utility fund balance just over \$500,000

City of Two Rivers 2014 Budget Highlights Utility Funds 690 Sewer Fund Highlights



1. \$2.4 million budget; 2014 operating expenses up \$47,697 or 2.01%
2. Rate increase history: 6% in 2010 and 2011; 10% in 2012; 3% in 2013. 2014 Budget: 3%.
3. Budget shows positive cash flow of \$69,000 for 2014, after debt service and \$130,000 in capital projects
4. Sewer utility continues to recover from a deficit situation; unreserved fund balance is projected at negative \$630,000 by the end of 2014, up from negative \$1,050,000 at the end of 2011. Reserved balance for Equipment Replacement is \$1,176,392.
5. Budget also includes \$915,000 in 20-year to replace major interceptor line beneath 14th St.

City of Two Rivers 2014 Budget Highlights Utility Funds

690 Sewer Fund Highlights

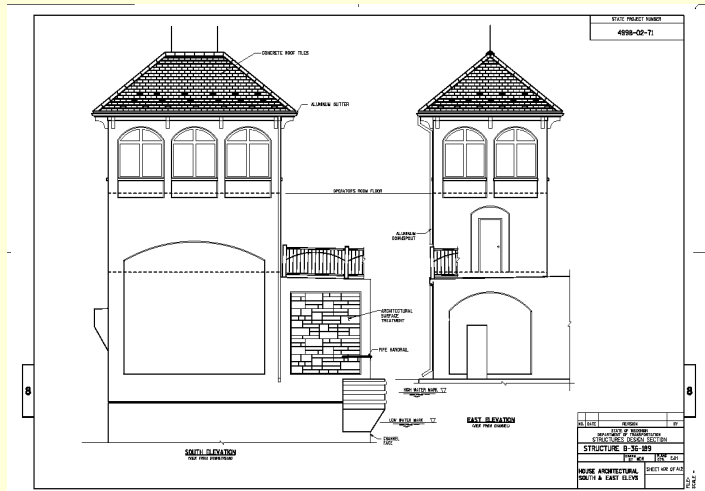


Replacement of 27-inch 14th Street interceptor:

\$915,000 project, to be financed with utility debt, a 20-year loan from DNR's Clean Water Fund

City of Two Rivers 2014 Budget Highlights Capital Projects Funds

Capital projects for 2014 total \$4.5 million.



These are being funded through new, long-term debt, State and Federal grants, donations, and carry-over funds from 2013.

Projects include street improvements, harbor infrastructure, replacement of trucks and capital equipment, and upgrades to City park facilities.

Budget proposes \$1.6 million in new debt for these projects; \$2.0 million of existing debt principal will be retired in 2014.

City of Two Rivers 2014 Budget Highlights Special Revenue Funds

2014 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

City of Two Rivers 2014 Capital Projects

East Twin River Seawall/ Water Main Replacement

\$2,000,000 Project; City has secured \$1.45 million in grant funding; budget calls for paying remainder with \$400,000 borrowed for project in 2013, plus \$150,000 left from dredge Project. City still seeking additional grant funds.



City of Two Rivers 2014 Capital Projects

Other Harbor/Water-Related Projects:

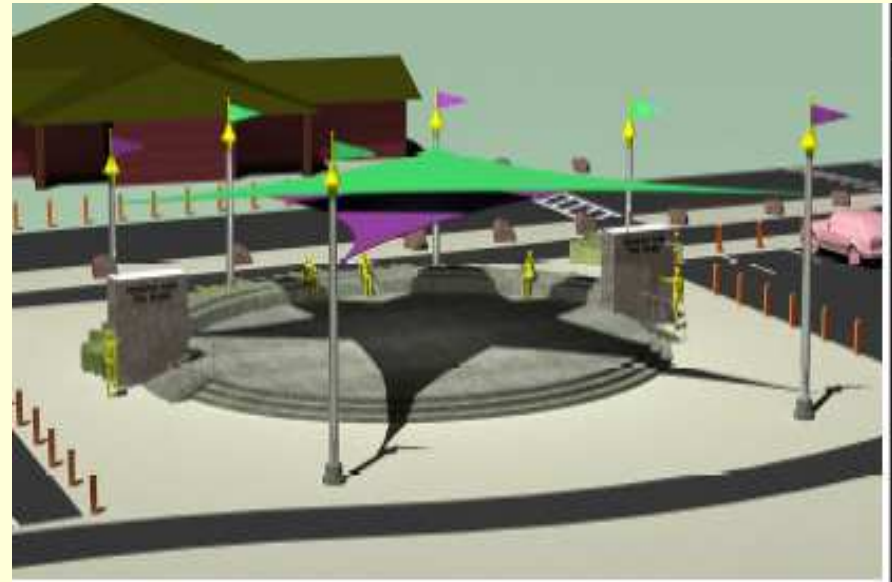
- Replacement of the Vets Park Fish Cleaning Station; \$250,000 project; \$125,000 borrowed in 2013 as local match for this project, but an expected DNR grant was not awarded. Staff expects to secure grant funds in 2014.
- Upgrades to Vets Park Boat Launch; \$185,000 project; \$160,000 grants, \$25,000 local.



City of Two Rivers 2014 Capital Projects

Other 2014 Capital Projects:

- Resurfacing and improvements to Zlatnik Drive at the beach, a project deferred from 2013; \$130,000 project to be funded with \$100,000 carryover funds, \$30,000 new borrowing
- Performance stage at beach; seeking donations and grants for a \$105,000 project.



City of Two Rivers 2014 Capital Projects

Other 2014 Capital Projects:

- Milling and resurfacing 27th Street, Forest Ave. to Adams Street; \$250,000 project
- STH 310 Reconstruction on 14th Street, repaving on Hawthorne. City share of this \$3 million DOT-led project is \$70,000 for street work, \$1.1 million for water and sewer.



City of Two Rivers 2014 Capital Projects

Other 2014 Capital Projects (cont'd):

- Design work (City share: \$60,000) for the DOT-led reconstruction of Lincoln Avenue from 22nd Street to 35th Place in 2017; \$5 million project, including \$2 million for water and sewer main replacement.
- Design work on Bike Trails to the High School (\$100,000), construction will likely be in 2015.
\$1.5 million project, \$1.2 million WisDOT funding, \$300,000 local.
- Repair and painting work on bridges, budgeted at \$100,000.
- \$145,000 for a replacement ambulance (carryover from 2013)
- Various Public Works equipment and vehicles, \$368,000

Questions?

