Ashland Committee of the Whole Meeting
Thursday, September 21, 2023 – 6:00 PM
601 Main Street W. Ashland WI 54806

Take notice that a meeting of the City of Ashland Committee of the Whole will be held on Thursday, September 21, 2023 in- person in the City Hall Council Chambers, 601 Main Street W. Ashland, WI with the availability to attend virtually. Meeting will begin immediately following the adjournment of the City Council Meeting to consider and act upon the following agenda.

To join the meeting from your computer, tablet or smartphone:
https://global.gotomeeting.com/join/500263957

Or dial in using your phone. United States (Toll Free): 1-877-309-2073 Access Code: 500-263-957

Please contact the Clerk's office if you require accommodations to attend the meeting.

Thursday, September 21, 2023 Ashland Committee of the Whole Meeting Agenda

1. **Roll Call**

2. **Approval of Agenda**

3. **Presentation and Discussion Regarding the 2024 Budget Development, and Confirmation of Date and Time of Future Budget Work Sessions**

4. **Adjournment**

SUBJECT: **Presentation and Discussion Regarding the 2024 Budget Development, and Confirmation of Date and Time of Future Budget Work Sessions**

RECOMMENDATION: Presentation and Discussion

DEPARTMENT OF ORIGIN: Finance

CLEARANCES: Administration

EXHIBITS: 1. Budget Presentation

COMPLIANCE WITH STRATEGIC PLAN:

SUMMARY STATEMENT:

The 2024 budget is still in the draft phase and the exhibit reflects where staff is at in developing the budget.

The working copy budget draft has been developed using the following:

- A one-year, one-payment, general obligation note of $266,000 to be issued before the end of 2023 to be applied to the 2024 budget
- General Fund - fund balance is being applied to the 2024 budget
- 3% increase in wages for unrepresented city employees
- 25% increase in health insurance premiums

The following items will be discussed to provide information on the budget development process:

- Property assessed value vs equalized value
- Mill rate
- Tax levy and levy limit, including the debt levy
- Shared revenues increase for 2024 and other revenues
- Expenditure restraint
- Transfers to other funds
- General fund operating budgets
- General Fund - spendable fund balance

Regarding future 2024 budget work sessions, the Committee of the Whole will be presented with the following:

- Updated General Fund Budget summaries as needed
- Details of the general fund departmental budgets
- Capital projects list
- Expected revenues and expenditures of other governmental funds
- Other budgets - Library, Airport, Marina, Water Utility, and Wastewater Utility

The following is the 2023 budget approval process timeline:

Thursday, October 5, 2023 - Budget Work Session: The Committee of the Whole deliberates the 2024 proposed budget(s) presented by the Administrator.

Thursday, October 19, 2023 - Budget Work Session: The Committee of the Whole continues deliberation of the 2024 budget(s) and recommends a budget to the Council and for public hearing. State Statute 65.90(4) requires the proposed budget to be published a minimum of 15 days before the public hearing. This budget is due to the Daily Press by 10/24/2023.

Tuesday, November 14, 2023 - Public Hearing on the proposed 2024 budget and Council approves a 2024 Budget. The Council may make changes to the 2024 budget at the November 14, 2024 meeting.

The Committee of the Whole may vote to have additional budget session(s).

LEVY LIMIT - Maximum dollar amount the levy may be increased from prior year.
TWO COMPONENTS - 1) Debt payments 2) Capital and operations

DEBT PAYMENTS

Debt payments may increase and decrease as necessary from year to year

NOTE: The Tax Increment Levy fluctuates with the mill rate and equalized value rate. This may increase and decrease as necessary

CAPITAL & OPERATIONS

May increase by the following:

- Net new construction percentage:
  The amount of new construction reduced by any demolition or destruction of buildings DIVIDED by prior year equalized value. For 2023 this is 0.31%
- Closing of a Tax Increment District
- Referendum

CITY OF ASHLAND
2024 PROPOSED BUDG
SUMMARY WORKSHE

	2020 Actual	2021 Actual	2022 Actual	2023 Budget	2023 Projected	2024 Budget	2023-24 $
Property Tax Levy							
Assessed Value	420,745,300	420,903,200	469,917,700	468,088,800	468,088,800	466,940,534	(1,148,266)
Mill Rate	9.8898	10.4530	10.1532	10.1491	10.1491	10.2563	0.1072
Gross Levy	$ 4,161,103	$ 4,399,708	$ 4,771,188	$ 4,750,702	$ 4,750,702	$ 4,789,098	$ 38,396
Less Restricted Levy:							
TIF Levy	(234,690)	(225,846)	(257,486)	(242,364)	(242,364)	(272,210)	(29,846)
Debt Service Levy							
Long-term G.O. Debt Service	(1,149,937)	(1,394,137)	(1,407,328)	(1,389,465)	(1,389,465)	(1,490,843)	(101,378)
Debt Service Reserve Applied	-	-	-	-	-	100,000	100,000
Short-Term GO Debt Service	-	-	(273,000)	(266,800)	(266,800)	(265,000)	1,800
Net Debt Service Levy	(1,149,937)	(1,394,137)	(1,680,328)	(1,656,265)	(1,656,265)	(1,655,843)	422
Total Restricted Levy	(1,384,627)	(1,619,983)	(1,937,814)	(1,898,629)	(1,898,629)	(1,928,053)	(29,424)
Net Expendable Levy	**$ 2,776,476**	**$ 2,779,725**	**$ 2,833,374**	**$ 2,852,073**	**$ 2,852,073**	**$ 2,861,045**	**$ 8,972**
Net Levy Available for General Fu	**$ 2,776,476**	**$ 2,779,725**	**$ 2,833,374**	**$ 2,852,073**	**$ 2,852,073**	**$ 2,861,045**	**8,972**
Post-Levy Property Tax Adjustm	387	386	386	-	-	-	-
Non-Tax General Fund Revenues	7,697,199	7,839,006	8,186,357	8,308,671	8,229,053	9,140,933	832,262
Appropriation of Fund Balance				573,774		-	(573,774)
Total General Fund Revenues	**$ 10,474,062**	**$ 10,619,117**	**$ 11,020,117**	**$ 11,734,518**	**$ 11,081,126**	**$ 12,001,978**	**$ 267,460**

CITY OF ASHLAND

MFG assessment not received

2024 PROPOSED BUDGET

Assessed Value and Property Tax Levy Comparison

Assessment Year:	Actual 1/1/2022	Actual 1/1/2023	Change 2022 to 2023	
Assessed Value of Property Within City Limits				
Real Estate:				
Residential	$288,500,400	$289,573,900	$1,073,500	0.37%
Commercial	150,546,800	150,315,400	(231,400)	-0.15%
Manufacturing	12,972,200	12,223,697	(748,503)	-5.77%
Agricultural, S&W, Forest	2,332,600	2,267,700	(64,900)	-2.78%
Other	679,400	679,400	0	0.00%
Total Real Estate	$455,031,400	$455,060,097	$28,697	0.01%
Personal Property:				
Boats & Watercraft	$500	$400	($100)	-20.00%
Machinery, Tools & Patterns	769,100	624,158	(144,942)	-18.85%
Furniture, Fixtures & Equipment	10,315,000	9,387,219	(927,781)	-8.99%
Other	1,972,800	1,868,660	(104,140)	-5.28%
Total Personal Property	$13,057,400	$11,880,437	(1,176,963)	-9.01%
Total Assessed Value	$468,088,800	$466,940,534	($1,148,266)	-0.25%
Total Assessed Value less Manufacturing Value	$453,896,200	$453,666,600	($229,600)	-0.05%
Total Equalized Value less Manufacturing Value	$532,425,300	$609,240,700	$76,815,400	14.43%
Assessment Ratio	85.2507%	74.4642635%	-10.7864%	
City Equalized Value (TID in)	$549,565,000	$626,996,800	$77,431,800	14.09%
TID Equalized Value (Increment)	$28,036,900	$35,638,100	$7,601,200	27.11%
City Equalized Value (TID out)	$521,528,100	$591,358,700	$69,830,600	13.39%

CITY OF ASHLAND
2024 PROPOSED BUDGET
GENERAL FUND REVENUES

ACCOUNT DESCRIPTION			2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Budget	2023 Projected	2024 Budget
TAXES									
100	43410	SHARED REVENUES	3,707,961	3,701,429	3,703,613	3,747,459	3,752,549	3,752,549	4,563,477
100	43411	EXPENDITURE RESTRAINT	118,006	115,497	114,042	132,474	177,327	177,327	145,910
100	43529	OTHER PUBLIC REVENUE	52,088	57,568	60,960	59,354	50,000	50,000	50,000
		TOTAL	**3,878,055**	**3,874,494**	**3,878,615**	**3,939,287**	**3,979,876**	**3,979,876**	**4,759,387**
									779,511

State of Wisconsin • DEPARTMENT OF REVENUE

DIVISION OF STATE AND LOCAL FINANCE • BUREAU OF LOCAL GOVERNMENT SERVICES • 2135 RIMROCK RD MADISON, WI 53713

Mailing Address:
PO Box 8971 #6-97
Madison WI 53708-8971
Fax: (608) 264-6887
lgs@wisconsin.gov

September 15, 2023

DENISE OLIPHANT
CITY OF ASHLAND
601 W MAIN ST
ASHLAND WI 54806-1537

Notice of Shared Revenue – 2024 Original Estimate

Notice Information

The Wisconsin Department of Revenue (DOR) is providing the **estimated** shared revenue amounts your local government will receive in 2024 under current state law for county and municipal aid, supplemental county and municipal aid, utility aid and the expenditure restraint incentive program. This does not include adjustments, shown on the July and November payment notices.

District	CITY OF ASHLAND	**County**	ASHLAND	**Co-muni code**	02-201

Estimate Information

For an explanation of each aid payment below, review the additional information on this estimate.

2024 Original Estimate	
1. County and municipal aid	$3,543,282.59
2. Utility aid	$296,604.63
3. Supplemental county and municipal aid	$773,589.40
4. Expenditure restraint incentive program	$145,910.35
5. Total Estimated 2024 Payments *(sum of Lines 1-4)*	$4,759,386.97

Payment Information

Your local government will receive two distributions in 2024 :

- July 22, 2024: 15% of Line 1, 2, and 3 (listed above) and 100% of Line 4 (listed above)
- November 18, 2024: balance of your 2024 aid payments

County and Municipal Aid

Under state law, the county and municipal aid paid to each county and municipality must be equal to the amount determined in 2012 (sec. 79.035(5), Wis. Stats.) and adjusted for fallen protective services insurance reimbursement (sec. 79.035(8), Wis. Stats.).

County and Municipal Aid Calculation	
1. Original county and municipal aid	$3,543,559.02
2. Fallen protective services insurance adjustment	-$276.43
3. Fallen protective services insurance reimbursement *(reported to DOR)*	$0.00
4. Total County and Municipal Aid *(sum of Lines 1-3)*	$3,543,282.59

Utility Aid

- Under state law, utility aid is distributed to each county and municipality where tax-exempt utility property is located (sec. 79.04, Wis. Stats.)
- Utility companies report utility property information to DOR annually
- As shown below, DOR uses the provided information to accurately calculate utility aid

Utility Aid Calculation	
1. Net book value, as of December 31, 2023 *(including expected additions/retirements)*	$17,700,771.00
2. Total net book value payment	$106,204.63
3. Minimum payment	$0.00
4. Megawatt capacity	67.2
5. Megawatt capacity payment	$89,600.00
6. Closed/decommissioned production plant (phased down) payment	$0.00
7. Subtotal *(sum of Lines 2, 3, 5 and 6)*	$195,804.63
8. Population cap	$3,288,650.00
9. Adjusted subtotal *(lesser of Line 7 or Line 8)*	$195,804.63
10. Adjacent site incentive payment	$0.00
11. Baseload incentive payment	$0.00
12. Co-generation/alternative energy incentive payment	$100,800.00
13. Total incentive payments *(sum of Lines 10 through 12)*	$100,800.00
14. Spent nuclear fuel payment	$0.00
15. Total Utility Aid – this is the utility aid payment listed on the front of the estimate *(sum of Lines 9, 13 and 14)*	$296,604.63

Supplemental County and Municipal Aid

- Under state law, the supplemental county and municipal aid paid to each county and municipality is determined by 2023 Wisconsin Act 12 (sec. 79.036, Wis. Stats.).
- For detailed information, review Supplemental county and municipal aid payment detail

Expenditure Restraint Incentive Program

- Only municipalities are eligible to receive Expenditure Restraint Incentive Program (ERIP) payments
- To qualify for a 2024 ERIP payment, a municipality must meet **both** of the following requirements:
  - o 2022 municipal TID Out property tax rate must be greater than five mills
  - o 2022 to 2023 municipal net general fund budget increase must be less than the allowable percentage provided on your municipality's 2023 budget limit letter

Does your municipality qualify for a 2024 ERIP payment?	☒ **Yes** ☐ **No**
ERIP Payment Calculation *(Note: if your municipality does not quality, the payment amount is zero)*	
1. 2022 municipal TID Out property tax rate	0.008644478
2. Excess tax rate *(Line 1 minus .005)*	0.003644478
3. 2022 Equalized Value TID In	549,565,000
4. Excess tax rate amount *(Line 2 multiplied by Line 3)*	$2,002,878.00
5. ERIP payment factor	0.072850345
6. Total ERIP payment – this is the ERIP payment listed on the front of the estimate *(Line 4 multiplied by Line 5)*	$145,910.35

Contact Information

If you have questions, contact us at lgs@wisconsin.gov, (608) 266-8618 or (608) 261-5167.

CITY OF ASHLAND

GENERAL FUND BALANCE COMPONENTS AS OF DECEMBER 31, 2022 ESTIMATE

CHANGES IN TOTAL GENERAL FUND BALANCE	2022 Estimate	2021	2020
Total Fund Balance January 1	$ 4,884,024	$ 4,722,683	$ 4,708,836
Annual net revenue or (annual net expense) **Note: audit combines funds 100 & 750**	(449,109)	161,341	13,847
Total Fund Balance December 31	**$ 4,434,915**	**$ 4,884,024**	**$ 4,722,683**

GENERAL FUND BALANCE COMPONENTS

FUND BALANCE NOT AVAILABLE FOR USE:			
COVERS NEGATIVE CASH BALANCE FOR OTHER FUNDS:	**2022**	**2021**	**2020**
TIF #9	97,256	578,213	1,115,381
Land Acquisitions	80,915	105,694	105,694
TOTAL NEGATIVE CASH BALANCE - OTHER FUNDS	**178,171**	**683,907**	**1,221,075**
DELINQUENT PERSONAL PROPERTY TAX	3,029	637	2,038
DELINQUENT UTILITY CHARGES	27,961	24,791	23,784
PREPAID ITEMS/INVENTORY/MISC	36,359	67,854	69,413
TOTAL FUND BALANCE NOT AVAILABLE FOR USE	**$ 245,520**	**$ 777,189**	**$ 1,316,310**
Percent of Total Fund Balance	**5.54%**	**15.91%**	**27.87%**
SPENDABLE:			
FUND BALANCE AVAILABLE FOR USE - UNRESTRICTED	**$ 4,189,395**	**$ 4,106,835**	**$ 3,406,373**
Percent of Total Fund Balance	**94.46%**	**84.09%**	**72.13%**

TOTAL MINIMUM FUND BALANCE CALCULATION	**2023**	**2022**	**2021**
Budget - Total Uses of General Funds	**$ (11,734,518)**	**$ (11,119,849)**	**$ (11,030,922)**
Minimum Fund Balance = **30%** of total uses	(3,520,355)	(3,335,955)	(3,309,277)
Unrestricted Fund Balance (Spendable)	4,189,395	4,106,835	3,406,373
Unrestricted Fund Balance over minimum	**$ 669,040**	**$ 770,880**	**$ 97,096**
Assigned fund balance to future budget	(573,774)	(132,284)	
Fund Balance Available	**$ 95,266**	**$ 638,596**	

CITY OF ASHLAND
BUDGET SCENERIOS
SUMMARY WORKSHEET

	2023 BUDGET	2024 Budget Estimate	2025 Budget PROJECTION	2024-2025 $	%
Property Tax Levy					
Assessed Value	468,088,800	466,940,534	466,940,534	-	0.00%
Mill Rate	10.1491	10.2563	10.4802	0.2239	2.18%
Gross Levy	$ 4,750,702	$ 4,789,098	$ 4,893,633	$ 104,535	**2.18%**
Less Restricted Levy:					
TIF Levy	(242,364)	(272,210)	(57,068)	215,142	-79.04%
Debt Service Levy					NA
Long-term G.O. Debt Service	(1,389,465)	(1,490,843)	(1,801,548)	(310,705)	20.84%
Debt Service Reserve Applied	-	100,000	100,000	-	0.00%
Short-Term GO Debt Service	(266,800)	(265,000)	(265,000)	-	0.00%
Net Debt Service Levy	(1,656,265)	(1,655,843)	(1,966,548)	(310,705)	18.76%
Total Restricted Levy	(1,898,629)	(1,928,053)	(2,023,616)	(95,563)	4.96%
Net Expendable Levy	**$ 2,852,073**	**$ 2,861,045**	**$ 2,870,017**	**$ 8,972**	**0.31%**
Net Levy Available for General Fund	**$ 2,852,073**	**$ 2,861,045**	**$ 2,870,017**	**8,972**	**0.31%**
Post-Levy Property Tax Adjustments	-	-	-	-	NA
Non-Tax General Fund Revenues	8,308,671	9,140,933	9,140,933	-	0.00%
Appropriation of Fund Balance	573,774	-	-	-	NA
Total General Fund Revenues	**$ 11,734,518**	**$ 12,001,978**	**$ 12,010,950**	**$ 8,972**	**0.07%**