



December 9, 2011

TO: City Council

FROM: Mayor Shawn Pfaff

SUBJECT: 2012 Budget

Enclosed is the adopted 2012 Budget for the City of Fitchburg. The 2012 budget allocates needed resources for continued reinvestment in our community's infrastructure, service delivery capabilities and quality of life, while holding the line on operating expenses.

Due to new requirements mandated by the State, and a sluggish national and local economy, I instructed Department Heads to submit 2012 budget proposals that held non-personnel expenditures to 2011 levels. After reviewing Departmental proposals, I made additional cuts in excess of \$130,000.

As you will recall, we have been developing budgets over the past six years under a state-wide levy limit mandate which limited the increase in general purpose tax dollars by a minimum 2 or 3 percent, with additional increases allowed based on net new construction from the previous year. Under the new requirements set forth by the State Budget, the minimum increase has been removed and the only allowable increase in the levy is limited to growth in new construction during the previous calendar year. Our allowed levy increase for 2012 is only .83 percent. Net new construction for this year totaled slightly more than \$20 million, compared to \$45 million last year. Total equalized value decreased for a third consecutive year by 1.4 percent (\$34.8 million), to \$2.49 billion. Last year, equalized value decreased by 2.23 percent. With all of these constraints taken into consideration, the final approved budget is \$233,127 less than the allowed levy limit. In addition, for the fourth consecutive year, Fitchburg qualifies for the expenditure restraint program which will provide additional revenues from the state. The 2012 budget contains \$ 447,514 in expenditure restraint funds compared to \$217,000 in 2011. In order to qualify for this program, the City needed to limit General Fund spending increases to no more than 3.2 percent. The 2012 budget increased General Fund spending to 2.19 percent.

This budget fully complies with other legislative directives in the wages and benefit areas. I am pleased to report that the 2012 Budget complies with all requirements set by 2011 Wisconsin Acts 10 and 32. Beginning in August of 2011, non-represented employees and employees not classified as public safety employees were required to contribute 5.8 percent to the Wisconsin Retirement System. In 2012 this percent increases to 5.9 percent. 53 employees are impacted by this change with an expected savings to the City in 2012 of \$178,500. Beginning in 2012,

this same group of employees will begin paying 12 percent of the average cost of health insurance premiums. All employees represented by unions as well as employees classified as public safety employees will pay 5 percent for health insurance premiums and 0 percent for Wisconsin Retirement through December 31, 2012, which is when the current contracts expire. Projected savings to the City as a result of the change in health insurance payments is estimated to be \$32,700.

This budget continues to maintain my commitment to funding existing levels of service, and to maintaining existing positions and honoring our contractual obligation on wages and benefits. This budget also fully funds our commitment to projected increases in insurance, fuel and utility charges. In addition, this budget provides funding for the following:

- (1) Police Officer (General Fund)
- (1) Parks Maintenance Employee (restored funding from 2011 General Fund)
- (.5) Utility LTE (for installing the automated meter interface- funded by Utility)
- (1) Production Assistant in the FACT (cable franchise fees)
- Clerks Licensing Program (expenditure restraint)
- North Stoner Prairie Neighborhood Study (from Commerce Park funds)
- Funding to operate Nine Springs Golf Course - \$20,000 (General Fund)

This budget also includes funding for charges related to the DaneCom system and charges related to implementation of a CAD system in the County 911 Dispatch Center. I have also included funding for the Boys and Girls Club in the amount of \$45,000 (unchanged from previous years).

It is important to note that the Library budget is based on estimates for only two months of operations (July and August, 2011). We continue to monitor usage as reported by Dane County Library System and are maintaining a conservative approach to the 2012 budget. We are projecting a modest decrease in the levy for library purposes and will continue to refine projections during 2012 in preparation for 2013.

General Fund budget spending increases 2.19 percent next year due primarily to personnel related costs and increases in fuel prices. As is the case with most municipal budgets, our investment in personnel is the most significant component of the budget and represents more than 75 percent of total General Fund spending. Tax levies needed to support debt service (10.98 percent increase) and capital projects (5.59 percent increase) are all included in the budget and comply with the levy limit rule.

This year I have made minor changes to the Capital Improvement Plan in order to comply with the levy limit. Changes to the 2012 Capital plan include the following:

Change funding sources from Capital Levy to Debt for the following projects:

- 2301 – FitchRona Radio Equipment (\$65,419)
- 3427 – Bike and Ped Improvements (\$34,299)
- 6311 – Tree Maintenance Equipment – Chipper (\$30,000)

Change funding sources for the following project:

6210 – Parks Equipment (\$5,000 fund balance, \$60,000 Capital Levy)

Change funding from 2012 Capital Levy to 2011 Budget (departmental budget savings):

2126 – Electronic Control Devices (ECD) - \$19,500

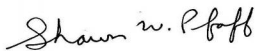
Reduced Total Project Amount for the following project:

6302 – City Campus Building Systems (reduce by \$10,000 to \$30,000)

User fee increases projected with this year's budget include adjustments to rates paid by Storm Water customers (5 percent) and an increase in the annual Refuse and Recycling fee from \$133 to \$145 which is the same fee charged in 2008. We are not proposing any increase in rates for Sewer Utility customers at this time however any MMSD rate adjustments will be passed through to the users as provided in our ordinances. We anticipate a slight cost of living adjustment in Water Rates sometime in 2012, pending PSC approval.

I would like to thank all department heads for rising to the challenge of developing this extremely difficult budget by making tough and creative recommendations. I would also like to particularly thank Finance Director Nancy Solberg, City Administrator Tony Roach, and other city staff involved in preparation of this budget document. Additionally, I would also like to thank the employees who, for the first time, submitted budget reduction suggestions through a suggestion box. We incorporated many of their suggestions while developing the budget and are grateful for their committed service to the City. In addition, the Council should be recognized for the time they devoted to the budget process during the Finance Committee budget sessions, public hearings, Committee of the Whole meetings and Council meetings.

Sincerely,



Mayor Shawn Pfaff

**CITY OF FITCHBURG  
SUMMARY OF BUDGET AND TAX LEVY**

PURPOSE	ACTUAL 2010	BUDGET 2011	PROJECTED 2011	ADOPTED 2012
<b>EXPENDITURES:</b>				
GENERAL GOVERNMENT	3,591,333	3,354,576	3,251,293	3,344,564
PUBLIC SAFETY	8,496,061	8,820,669	8,746,032	9,061,788
PUBLIC WORKS	1,789,077	1,894,022	1,754,961	1,909,003
HEALTH & HUMAN SERVICE	367,967	382,234	380,557	382,238
CULTURE, REC. & EDUCATION	941,600	935,805	935,119	1,055,277
CONSERVATION & DEVELOPMENT	568,324	503,952	488,987	496,375
OTHER FINANCING USES	<u>496,282</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
TOTAL GENERAL FUND	16,250,644	15,901,258	15,566,949	16,249,245
TOTAL LIBRARY FUND	120,818	1,833,323	1,152,986	2,054,625
TOTAL DEBT SERVICE FUND	<u>2,307,489</u>	<u>3,149,679</u>	<u>3,227,790</u>	<u>3,434,190</u>
<b>TOTAL CITY EXPENDITURES</b>	<b><u>18,678,951</u></b>	<b><u>20,884,260</u></b>	<b><u>19,947,725</u></b>	<b><u>21,738,060</u></b>
<b>REVENUES:</b>				
GENERAL FUND TAX LEVY	11,890,612	11,860,970	11,860,970	12,350,943
GENERAL FUND OTHER REVENUE	<u>4,185,840</u>	<u>4,040,288</u>	<u>4,241,742</u>	<u>3,898,302</u>
TOTAL GENERAL FUND	16,076,452	15,901,258	16,102,712	16,249,245
LIBRARY TAX LEVY	132,035	1,613,696	1,613,696	1,504,346
LIBRARY OTHER REVENUE	<u>2,604</u>	<u>219,627</u>	<u>230,522</u>	<u>550,279</u>
TOTAL LIBRARY	134,639	1,833,323	1,844,218	2,054,625
DEBT SERVICE TAX LEVY	1,391,109	2,484,875	2,484,875	2,757,830
DEBT SERVICE OTHER REVENUE	<u>879,322</u>	<u>664,804</u>	<u>742,867</u>	<u>676,360</u>
TOTAL DEBT SERVICE FUND	2,270,431	3,149,679	3,227,742	3,434,190
<b>TOTAL CITY REVENUES</b>	<b><u>18,481,522</u></b>	<b><u>20,884,260</u></b>	<b><u>21,174,672</u></b>	<b><u>21,738,060</u></b>
CAPITAL PROJECTS FUND LEVY	1,006,298	922,069	922,069	973,651
TOTAL CITY LEVY	14,420,054	16,881,610	16,881,610	17,586,770
CITY PORTION OF TID LEVY	<u>704,306</u>	<u>866,922</u>	<u>866,922</u>	<u>930,279</u>
TOTAL TAX LEVY INCLUDING TID	15,124,360	17,748,532	17,748,532	18,517,049
<b>ASSESSED VALUE</b>	2,539,792,799	2,490,026,800		2,444,146,000
TAX RATE - CITY	4.682	4.763		5.053
TAX RATE - LIBRARY	0.052	0.648		0.615
TAX RATE - DEBT	0.548	0.998		1.128
TAX RATE - CAPITAL PROJECT	0.396	0.370		0.398
TAX RATE - OTHER (TID)	<u>0.277</u>	<u>0.348</u>		<u>0.381</u>
TAX RATE - TOTAL CITY	5.955	7.127		7.575
<b>EQUALIZED VALUE</b>	2,582,226,200	2,524,627,800		2,489,764,900
TAX RATE - CITY	4.605	4.698		4.961
TAX RATE - LIBRARY	0.051	0.639		0.604
TAX RATE - DEBT	0.539	0.984		1.108
TAX RATE - CAPITAL PROJECT	0.390	0.365		0.391
TAX RATE - OTHER (TID)	<u>0.273</u>	<u>0.343</u>		<u>0.374</u>
EQUALIZED TAX RATE - TOTAL CITY	5.858	7.029		7.438

**CITY OF FITCHBURG**  
**2011 PROPERTY TAX LEVIES - 2012 BUDGET**

PURPOSE	LEVY AMOUNT	TAX RATES PER 1,000	LEVY INCREASE	RATE INCREASE	PERCENT TOTAL
General City	12,350,943	5.053	4.13%	6.09%	20.77%
Library	1,504,346	0.615	-6.78%	-5.09%	2.53%
Debt	2,757,830	1.128	10.98%	13.03%	4.64%
Capital Projects	973,651	0.398	5.59%	7.57%	1.64%
TID Allocation	<u>930,279</u>	<u>0.381</u>	<u>7.31%</u>	<u>9.48%</u>	<u>1.56%</u>
Total City	18,517,049	7.575	4.33%	6.29%	31.13%
Madison Public Schools	13,638,046	11.354	-0.73%	1.21%	22.93%
Oregon Public Schools	2,906,882	12.164	2.46%	2.27%	4.89%
Verona Area Public Schools	12,594,702	12.544	-1.40%	0.84%	21.18%
Madison Area Technical College	4,256,104	1.741	14.32%	16.45%	7.16%
Dane County	7,142,202	2.922	4.18%	6.14%	12.01%
State Forestry	<u>422,528</u>	<u>0.173</u>	<u>-1.38%</u>	<u>0.58%</u>	<u>0.71%</u>
TOTAL LEVY	59,477,513		2.36%		100.00%
GROSS TAX RATE BY DISTRICT					
Madison		23.765		4.39%	
Oregon		24.575		4.84%	
Verona		24.955		4.04%	
School Credit	<u>4,474,343</u>	<u>1.831</u>	<u>-2.07%</u>	<u>-0.22%</u>	
NET LEVY	<u>55,003,170</u>		2.74%		
NET TAX RATE BY DISTRICT					
Madison		<u>21.934</u>		4.80%	
Oregon		<u>22.744</u>		5.27%	
Verona		<u>23.124</u>		4.39%	
NET EQUALIZED TAX RATE BY DISTRICT					
Madison		<u>21.532</u>		4.18%	
Oregon		<u>22.327</u>		4.65%	
Verona		<u>22.700</u>		3.77%	
EQUALIZED RATIO	0.98168				
ASSESSED VALUATION	<u>2010</u>	<u>2011</u>	<u>PERCENT OF TOTAL</u>	<u>INCREASE</u>	<u>PERCENT INCREASE</u>
City of Fitchburg	2,490,026,800	2,444,146,000	100.00%	-45,880,800	-1.84%
Madison Public Schools	1,224,718,900	1,201,171,400	49.14%	-23,547,500	-1.92%
Oregon Public Schools	238,528,800	238,969,400	9.78%	440,600	0.18%
Verona Area Public Schools	1,026,779,100	1,004,005,200	41.08%	-22,773,900	-2.22%
Note: Levy amounts include TID allocations for all jurisdictions.					
Note: This schedule does not include Lottery Credit or First Dollar Credit.					

**CITY OF FITCHBURG  
COMPARISON OF TAXES PAID**

Budget Year	2008	2009	2010	2011	2012
Equalized Value	2,557,266,700	2,582,601,800	2,582,226,200	2,524,627,800	2,489,764,900
Percent increase (decrease)	11.34%	0.99%	-0.01%	-2.23%	-1.38%
Assessed Value	2,410,192,040	2,495,173,890	2,539,792,799	2,490,026,800	2,444,146,000
Percent increase (decrease)	6.70%	3.53%	1.79%	-1.96%	-1.84%
Average Residential Assessed Value	270,900	269,300	269,400	265,100	265,000
Percent increase (decrease)	1.31%	-0.59%	0.04%	-1.60%	-0.04%
Tax Rate per 1,000 for City Purposes	5.68	5.84	5.96	7.13	7.58
City Taxes Paid on Average Residential Increase (decrease)	1,539 38	1,573 34	1,604 31	1,889 285	2,007 118
Net Tax Rate per 1,000 All Jurisdictions					
Madison Schools	18.82	18.28	18.88	20.93	21.93
Oregon Schools	20.07	19.02	19.65	21.61	22.74
Verona Schools	20.05	20.14	20.41	22.15	23.12
Total Taxes Paid on Average Residential					
Madison Schools	5,099	4,924	5,085	5,549	5,813
Oregon Schools	5,436	5,121	5,294	5,728	6,027
Verona Schools	5,432	5,423	5,499	5,872	6,128
Increase (Decrease)					
Madison Schools	128	(175)	161	464	728
Oregon Schools	438	(315)	173	434	733
Verona Schools	(45)	(9)	76	373	629
Other Charges/Credits:					
Utility Fire Protection	0.18	0.00	0.00	0.00	0.00
Rubbish/Recycling	145.00	135.00	133.00	133.00	142.00
Lottery Credit					
Madison Schools	101.79	88.25	82.48	96.26	100.23
Oregon Schools	107.40	94.73	88.64	102.05	107.95
Verona Schools	108.37	104.23	94.89	106.75	110.83
First Dollar Credit					
Madison Schools		38.24	72.30	76.34	75.73
Oregon Schools		41.05	77.70	80.94	81.56
Verona Schools		45.16	83.18	84.66	83.74

Note: In 2009 the Utility Fire Protection Charge was removed from the tax bill and replaced by a quarterly charge on utility bills.

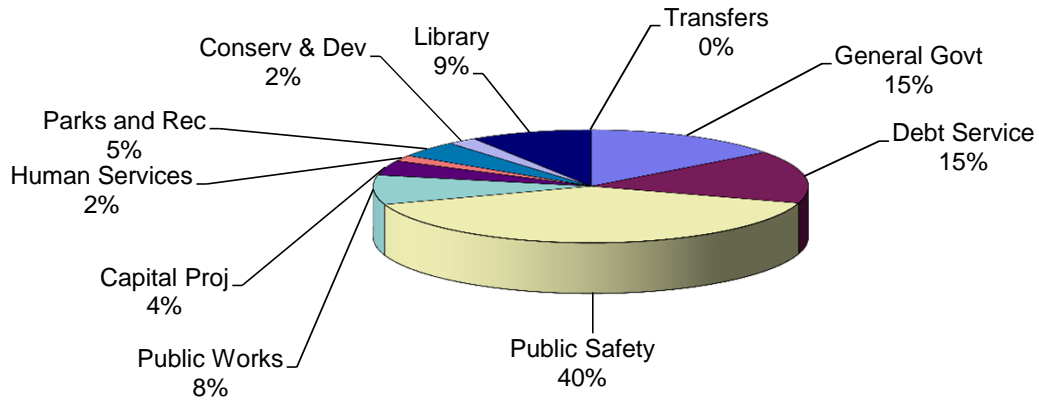
Note: First Dollar Credit was established by 2007 Wisconsin Act 20, first appearing on tax bills for 2009.

Note: Total taxes paid represent the amount before lottery credit, first dollar credit or rubbish charge.

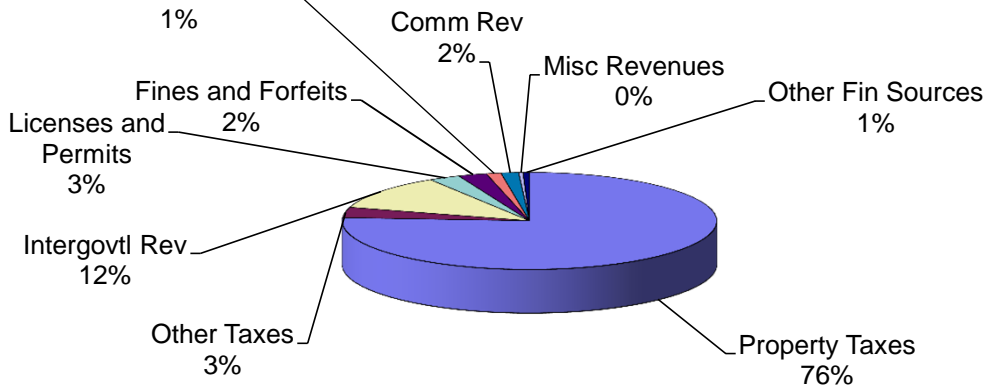
**CITY OF FITCHBURG  
TAX IMPACT ANALYSIS**

	BUDGET 2010	BUDGET 2010	BUDGET 2011	BUDGET 2011	BUDGET 2012	BUDGET 2012
General Fund Tax Levy	11,890,612		11,860,970		12,350,943	
General Fund Budget	15,856,291		15,901,258		16,249,245	
Assessed Value	2,539,792,799		2,490,026,800		2,444,146,000	
Average Home Assessed Value		269,400		265,100		265,000
Service Area:		Tax per Avg Home:			Tax per Avg Home:	
General Government:						
Mayor & Council	92,891	7	78,395	6	67,413	6
Municipal Court	159,649	13	146,764	12	160,537	13
Administration, Legal, HR & Info System	922,319	73	944,953	75	909,950	75
Clerk	352,587	28	361,093	29	389,106	32
Finance	254,588	20	263,222	21	263,071	22
Assessing	368,609	29	384,449	31	391,107	32
Public Safety:						
Police	5,539,844	441	5,739,363	456	5,900,836	486
Fire	2,377,183	189	2,240,775	178	2,289,639	189
EMS	417,326	33	425,239	34	431,385	36
Building Inspection	391,555	31	409,264	33	403,700	33
Mass Transit	378,555	30	390,000	31	385,000	32
Public Works	1,450,625	115	1,504,022	119	1,524,003	126
Senior Citizens	376,491	30	382,234	30	382,238	32
Parks Department:						
Community Center	63,358	5	75,535	6	80,989	7
Parks	598,292	48	589,350	47	687,567	57
Recreation	261,427	21	270,920	22	286,721	24
Zoning & Planning	418,381	33	303,606	24	303,251	25
Economic Development	193,356	15	200,346	16	193,124	16
Other General Fund	<u>1,239,255</u>	<u>99</u>	<u>1,191,728</u>	<u>95</u>	<u>1,199,608</u>	<u>99</u>
Total General Fund	15,856,291	1,261	15,901,258	1,263	16,249,245	1,339
Library		14		172		163
Debt Service		148		265		299
Capital Projects		107		98		105
Tax Increment District		<u>75</u>		<u>92</u>		<u>101</u>
CITY TAX ON AVERAGE HOME		1,605		1,889		2,007
MADISON SCHOOL DIST TAX		2,791		2,974		3,009
MATC TAX		360		396		461
COUNTY TAX		783		730		774
STATE FORESTRY TAX		47		46		46
UTILITY FIRE PROTECTION CHG		0		0		0
SCHOOL CREDIT		-500		-486		-485
LOTTERY CREDIT		-82		-96		-100
FIRST DOLLAR CREDIT		<u>-72</u>		<u>-76</u>		<u>-76</u>
TOTAL AVERAGE NET TAX		<u>4,932</u>		<u>5,377</u>		<u>5,636</u>
Increase (decrease)		135		445		259
Note: First Dollar Credit was established by 2007 Wisconsin Act 20, first appearing on tax bills for 2009.						
Note: Effective January 1, 2009 the Utility Fire Protection Charge was removed from the tax bill and replaced by a quarterly charge on utility bills.						

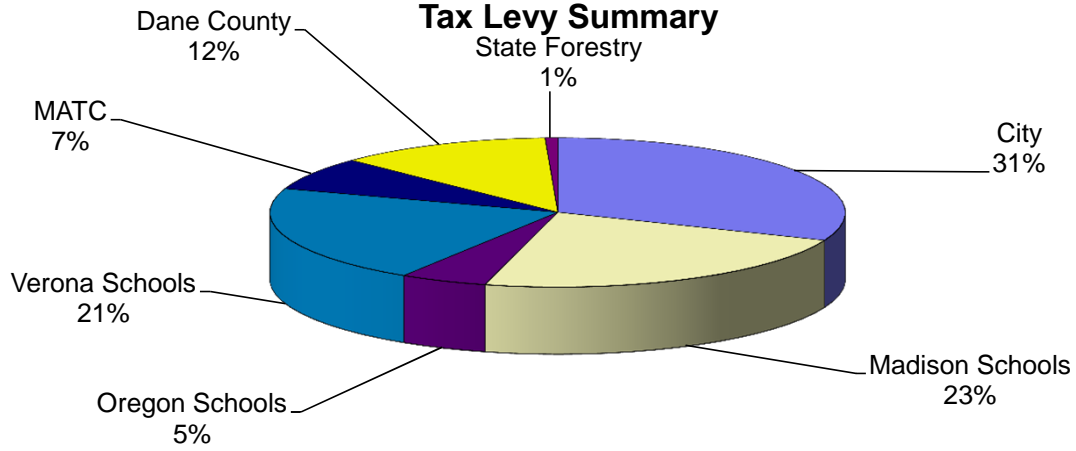
### City of Fitchburg 2012 Budget Expenditures by Type



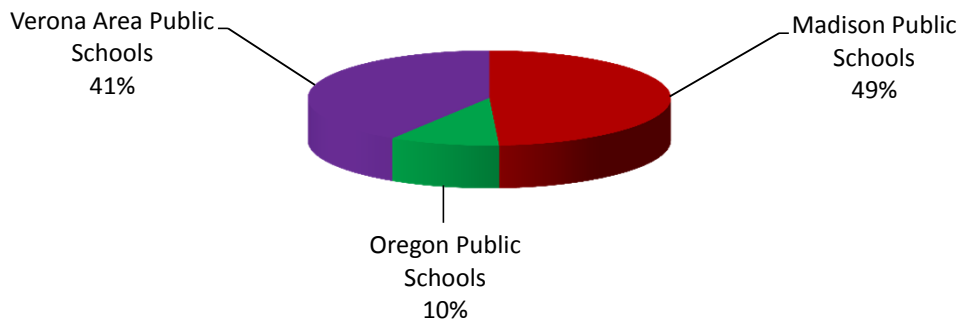
### City of Fitchburg 2012 Budget Revenues by Type



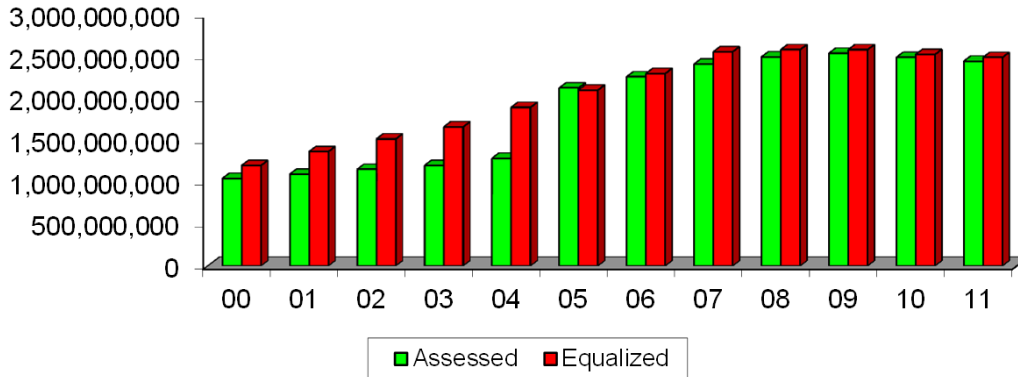
### City of Fitchburg 2012 Budget Tax Levy Summary



### City of Fitchburg 2012 Budget Assessed Value by School District



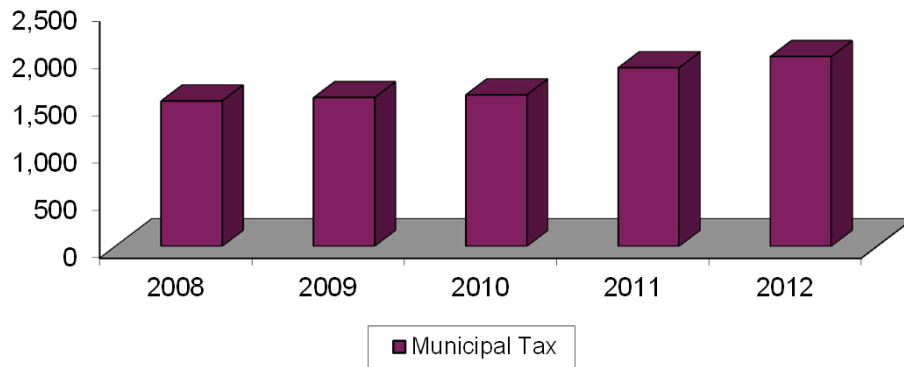
### City of Fitchburg 2012 Budget Assessed and Equalized Value



Year	Assessed	Equalized
00	1,044,284,005	1,198,743,800
01	1,094,542,685	1,363,848,300
02	1,152,718,125	1,516,111,600
03	1,198,870,065	1,659,614,900
04	1,283,840,895	1,892,988,500
05	2,125,066,172	2,098,978,800
06	2,258,755,020	2,296,882,600
07	2,410,192,040	2,557,266,700
08	2,495,173,890	2,582,601,800
09	2,539,792,799	2,582,226,200
10	2,490,026,800	2,524,627,800
11	2,444,146,000	2,489,764,900

\* Note City Revaluation Completed this Year

### City of Fitchburg Tax on Average Home



Year	Average Value	Municipal Tax
08	270,900	1,539
09	269,300	1,573
10	269,400	1,604
11	265,100	1,889
12	265,000	2,007