



2024 Executive Draft Budget

Maxwell C. Gagin, ACA / Comptroller
October 3, 2023

Agenda

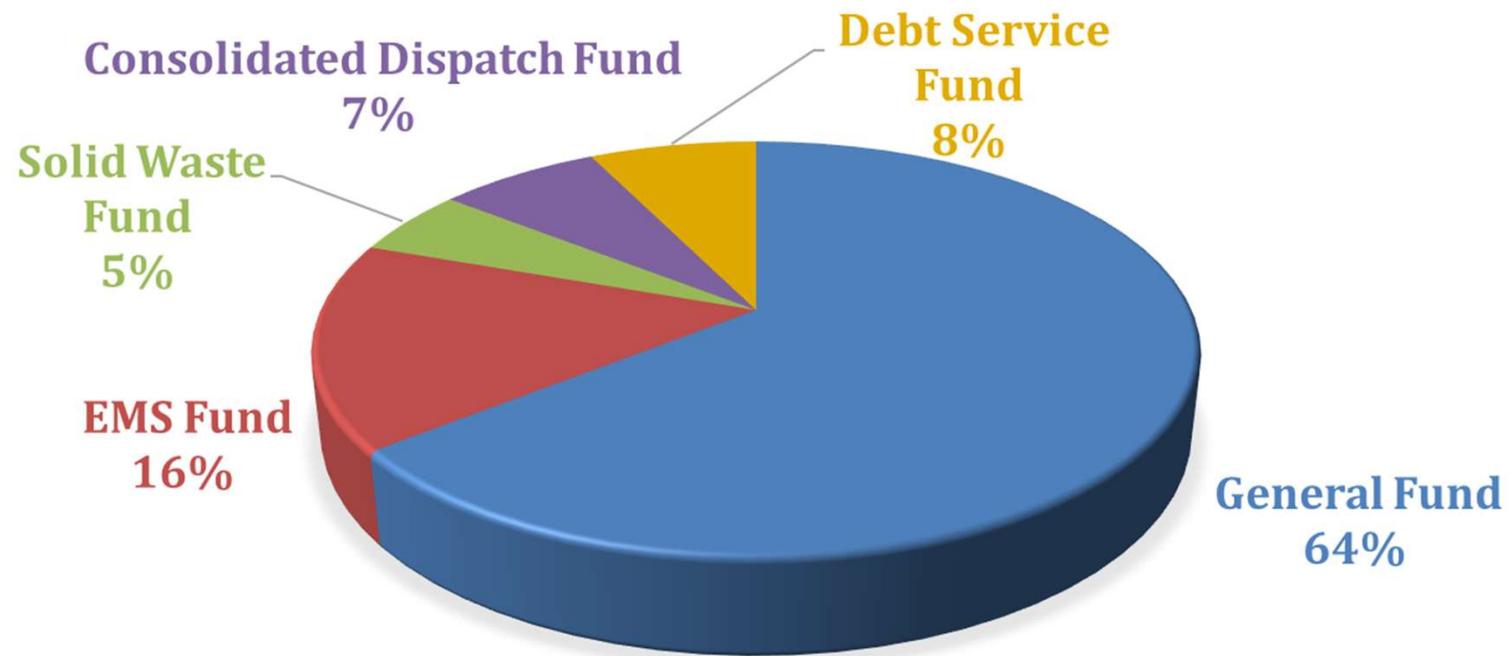
- Property Tax Levy and Major Fund Overview
- Human Resource Enhancements Included in Budget Proposal
- 2024 Capital Improvement Plan (CIP)
- Common Council Decision Points
- Q&A

Property Tax Levy and Major Funds Overview

Property Tax Levy by Fund

Fund	2023 Budget	2024 Budget	Diff	% Diff
General Fund	\$ 16,565,846	\$ 16,826,982	\$ 261,136	1.6%
Solid Waste Fund	1,369,553	1,362,516	(7,037)	-0.5%
EMS Fund	3,813,957	4,230,813	416,856	10.9%
Consolidated Dispatch Fund	1,707,861	1,855,521	147,660	8.6%
Debt Service Fund	435,789	1,914,920	1,479,131	339.4%
Total	\$ 23,893,006	\$ 26,190,752	\$ 2,297,746	9.6%

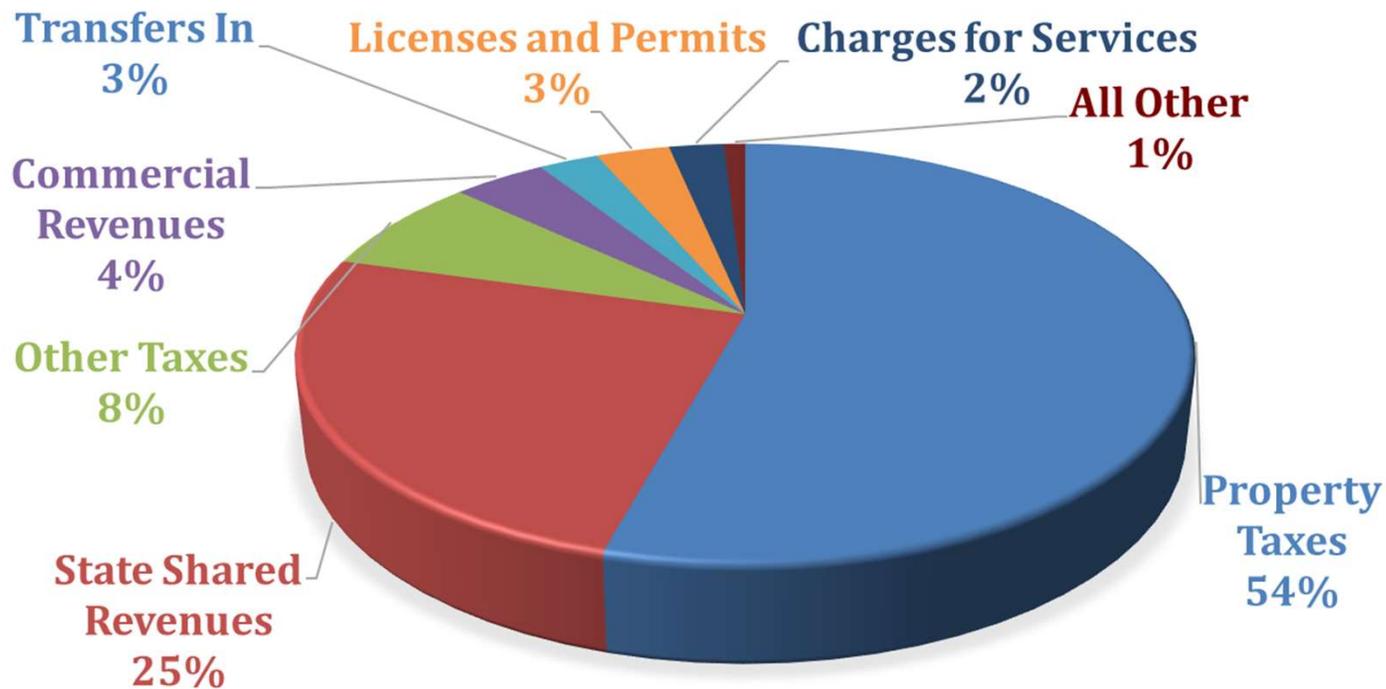
Property Tax Levy by Fund



General Fund Revenues

Revenues	2023 Budget	2024 Budget	Diff	% Diff
Property Tax Levy	\$ 16,565,846	\$ 16,826,982	\$ 261,136	1.6%
Utility PILOT Payment	1,800,000	1,600,000	(200,000)	-11.1%
Shared Revenue - General Payment	883,749	1,775,478	891,729	100.9%
Shared Revenue - Utility Aid Payment	1,800,000	3,817,166	2,017,166	112.1%
General Transportation Aids	2,045,803	1,841,223	(204,580)	-10.0%
Expenditure Restraint Incentive Program	285,392	146,666	(138,726)	-48.6%
Development-Related Fees	771,600	830,900	59,300	7.7%
Interest Earnings	255,000	340,000	85,000	33.3%
Transfers In	25,000	802,500	777,500	3110.0%
All Other Items (Exc. Rev. Offset)	2,982,610	3,025,431	42,821	1.4%
Total	\$ 27,415,000	\$ 31,006,346	\$ 3,591,346	13.1%

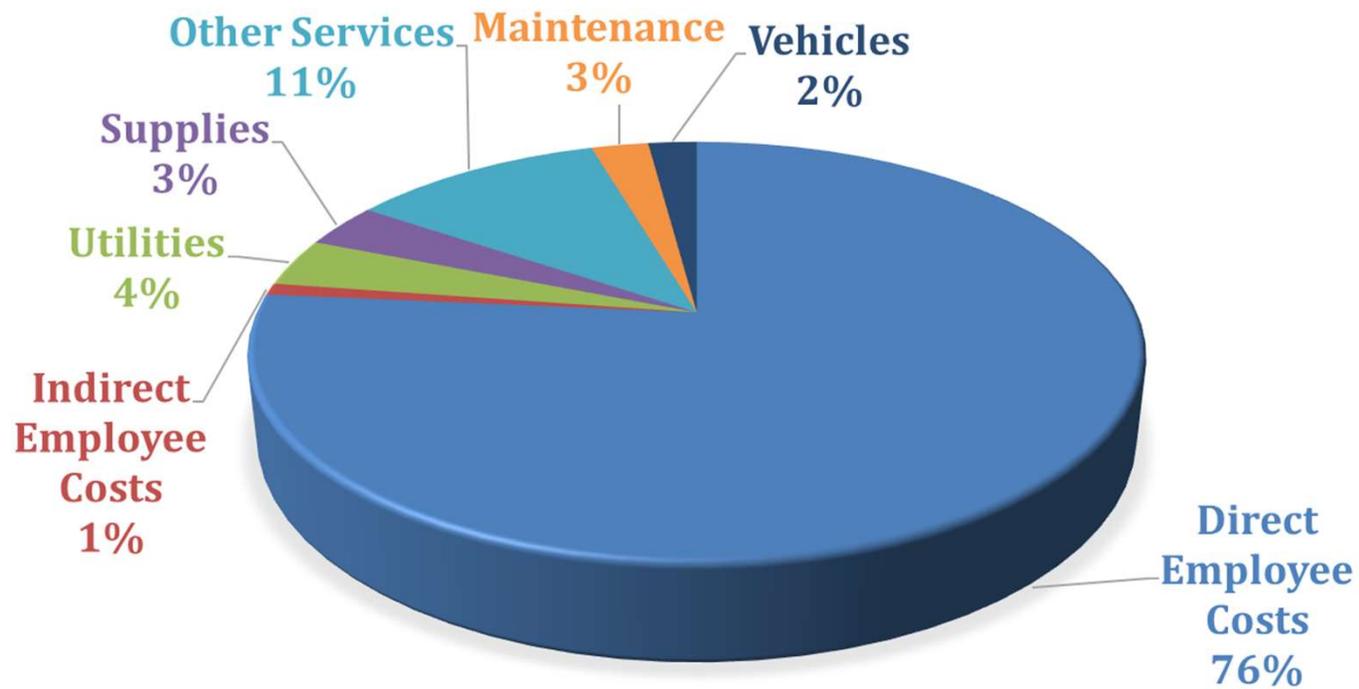
General Fund Revenues by Category



General Fund Expenditures by Category

Expenditures by Category	2023 Budget	2024 Budget	Diff	% Diff
Direct Employee Costs	\$ 20,676,061	\$ 23,621,982	\$ 2,945,921	14.2%
Indirect Employee Costs	241,728	275,613	33,885	14.0%
Utilities	1,065,474	1,147,503	82,029	7.7%
Supplies & Equipment	781,886	1,050,962	269,076	34.4%
Other Services	3,303,383	3,395,488	92,105	2.8%
Maintenance	730,078	761,633	31,555	4.3%
Vehicles	616,390	648,165	31,775	5.2%
Total	\$ 27,415,000	\$ 30,901,346	\$ 3,486,346	12.7%

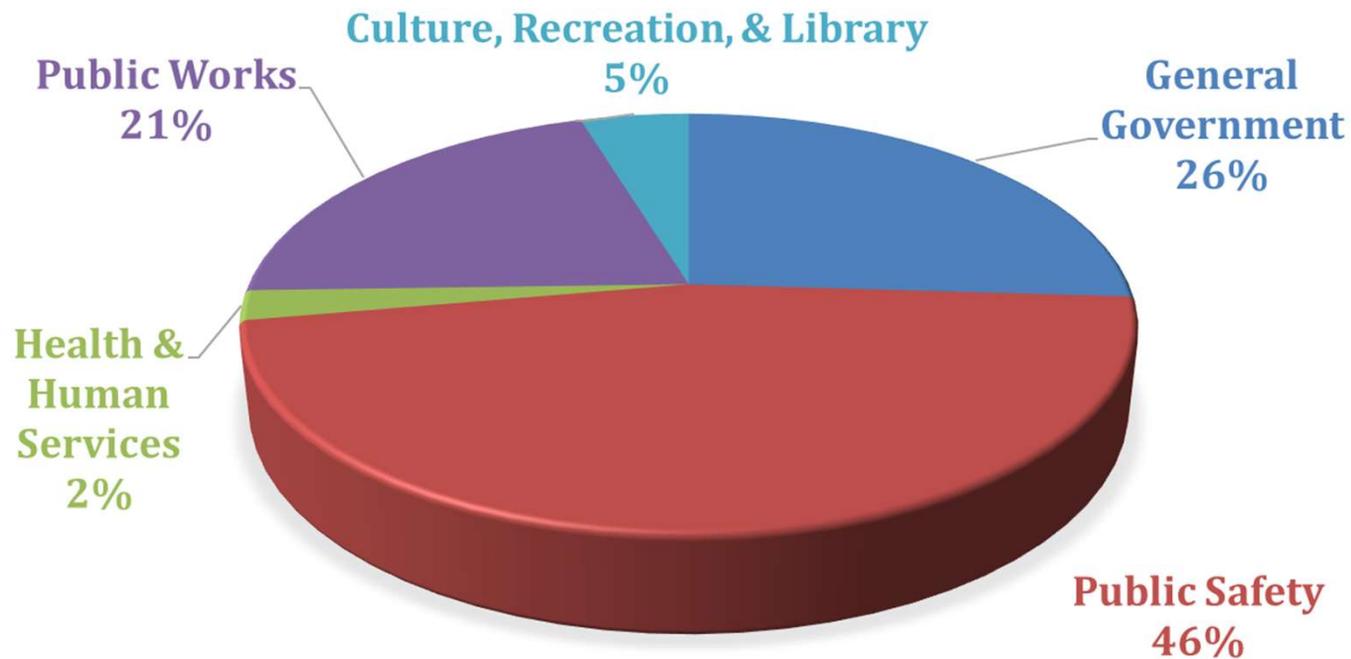
General Fund Expenditures by Category



General Fund Expenditures by Function

Expenditures by Category	2023 Budget	2024 Budget	Diff	% Diff
General Government	\$ 7,114,162	\$ 7,472,971	\$ 358,809	5.0%
Public Safety	12,688,462	15,483,731	2,795,269	22.0%
Health & Human Services	631,356	666,556	35,200	5.6%
Public Works	5,696,045	5,903,505	207,460	3.6%
Culture, Recreation, & Library	1,284,975	1,374,583	89,608	7.0%
Total	\$ 27,415,000	\$ 30,901,346	\$ 3,486,346	12.7%

General Fund Expenditures by Function



Solid Waste Fund

	2023	2024		%
Revenues	Budget	Budget	Diff	Diff
Property Tax Levy	\$ 1,369,553	\$ 1,362,516	\$ (7,037)	-0.5%
Recycling Grant	94,732	94,430	(302)	-0.3%
Sale of Recyclables	60,000	65,000	5,000	8.3%
Interest Earnings	100	35,000	34,900	34900.0%
All Other Items	5,100	7,500	2,400	47.1%
Total	\$ 1,529,485	\$ 1,564,446	\$ 34,961	2.3%

	2023	2024		%
Expenditures	Budget	Budget	Diff	Diff
Direct Employee Costs	\$ 159,130	\$ 162,980	\$ 3,850	2.4%
Refuse Contract	978,566	978,566	-	0.0%
Recycling Contract	294,520	294,520	-	0.0%
All Other Items	97,269	128,380	31,111	32.0%
Total	\$ 1,529,485	\$ 1,564,446	\$ 34,961	2.3%

Ending Fund Balance	<u>\$ 347,029</u>	<u>\$ 347,029</u>		
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EMS Fund

Revenues	2023 Budget	2024 Budget	Diff	% Diff
Property Tax Levy	\$ 3,813,957	\$ 4,230,813	\$ 416,856	10.9%
Fire Insurance Dues	184,911	210,000	25,089	13.6%
Ambulance Revenues	1,525,000	1,700,000	175,000	11.5%
Interest Earnings	500	100,000	99,500	19900.0%
Transfers In	-	462,500	462,500	N/A
All Other Items	220,665	262,428	41,763	18.9%
Total	\$ 5,745,033	\$ 6,965,741	\$ 1,220,708	21.2%

Expenditures	2023 Budget	2024 Budget	Diff	% Diff
Direct Employee Costs	\$ 5,347,413	\$ 6,428,860	\$ 1,081,447	20.2%
Ambulance Billing Costs	100,000	180,000	80,000	80.0%
Ambulance Purchase	380,000	-	(380,000)	-100.0%
All Other Items	297,620	356,881	59,261	19.9%
Total	\$ 6,125,033	\$ 6,965,741	\$ 840,708	13.7%

Ending Fund Balance	<u>\$ 1,726,743</u>	<u>\$ 1,726,743</u>		
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Consolidated Dispatch Fund

Revenues	2023 Budget	2024 Budget	Diff	% Diff
Property Tax Levy	\$ 1,707,861	\$ 1,855,521	\$ 147,660	8.6%
St. Francis Contract	275,340	280,847	5,507	2.0%
St. Francis Reimbursables	30,000	58,667	28,667	95.6%
Interest Earnings	-	20,000	20,000	N/A
Total	\$ 2,013,201	\$ 2,215,035	\$ 201,834	10.0%

Expenditures	2023 Budget	2024 Budget	Diff	% Diff
Direct Employee Costs	\$ 1,915,792	\$ 1,970,956	\$ 55,164	2.9%
Dispatch Supervisor	-	110,162	110,162	N/A
Next Generation 911 System	-	83,000	83,000	N/A
All Other Items	197,409	200,917	3,508	1.8%
Total	\$ 2,113,201	\$ 2,365,035	\$ 251,834	11.9%

Ending Fund Balance	<u>\$ 160,048</u>	<u>\$ 10,048</u>
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**Human Resource Enhancements Included
in the *2024 Executive Draft Budget***

Human Resource Enhancements

- A 3.0% wage adjustment for all police and fire union employees per those collective bargaining agreements
 - January 1, 2024 = 1.5%
 - July 1, 2024 = 1.5%
- A 3.0% wage adjustment effective January 1, 2024 for all other part-time and full-time City employees
- Various market-required wage increases across multiple departments, as well as salary adjustments to accommodate increased responsibilities tied to the “Building Capacity and Resilience in our City Organization” plan

Human Resource Enhancements

- Wages for a part-time Building Inspector to conduct State plan reviews and inspections for the Inspection Services Division
- Increase in wages and hours for the Police Department's Community Resource Coordinator position to meet increased demand for community-oriented policing programs and service
- Addition of six Police Officers; one Detective, one Dispatch Supervisor, and funding for the Police Aide program
- Addition of four Firefighter / Paramedics; one part-time Fire Inspector, and funding for the Cadet-Intern program

2024 Capital Improvement Plan (CIP)

2024 CIP – Funding Sources

Funding Source	Amount
Federal / State / Local Grants	3,400,149
TID 13	2,365,828
Utility Aid Payment	1,061,180
We Energies (\$1M)	999,160
Equipment Replacement Fund	547,000
Building Reserve Fund	360,000
Bridge Replacement Fund	360,000
Park Impact Fees	285,000
Storm Water Fund	225,000
American Rescue Plan Grant	57,000
TID 11	50,000
Police Impact Fees	25,000
Total	\$ 9,735,317

2024 CIP – Major Projects

- North Lakefront Bluff Stabilization and Revetment = \$2,215,828
- S. 6th St. Bridge 7800 – Design & Construction = \$1,542,050
- S. 6th St. Bridge 7600 – Construction = \$1,126,734
- Road Improvements Program = \$1,000,000
- Police Parking Lot Replacement = \$545,435
- Street Light LED Upgrades = \$425,930
- Front End Loader Replacement = \$316,000

2024 CIP – Major Projects (cont.)

- Light Truck Fleet Lease Program = \$200,000
- Police Station Chiller Replacement = \$185,000
- Chapel Hills Park Rehabilitation = \$180,000
- North Lakefront Bluff Stabilization Design (Hynite & Connell Section) = \$150,000
- Core IT Network Replacement = \$150,000

Common Council Decision Points



Common Council Decision Points

- Levy Limit Exception to Fund Public Safety Staffing Plan
- Creating a Marketing & Public Relations “Budget” and as Relates to the City / Tourism Commission
- Structural Change - Elimination of WE Energies Fund
- Use of Cash-on-Hand for CIP Requests
- CIP Funding for Self-Contained Breathing Apparatus (SCBA)

Common Council Decision Points (cont.)

- Establishing Sustainable Funding for Sidewalk and Trail Maintenance
- Storm Water Fees

Levy Limit Exception for Public Safety Staffing Plan

- Police = Addition of six Police Officers; one Detective, and funding for the Police Aide program
 - 1st Shift = 25% increase in staffing; 17% increase in min. staffing (6 to 7)
 - 2nd Shift = 15% increase in staffing; 17% increase in min. staffing (6 to 7)
 - 3rd Shift = 10% increase in staffing; 20% increase in min. staffing (5 to 6)
 - Detectives Bureau = 20% in staffing; 50% increase in min. staffing (2 to 3)
 - Police Aide Program = Build a pipeline of future Police Officer candidates

Levy Limit Exception for Public Safety Staffing Plan (cont.)

- Fire = Addition of four Firefighter / Paramedics; one part-time Fire Inspector, and funding for the Cadet-Intern program
 - Increases total shift staffing by 13% per 24-hour shift (15 to 17)
 - Provides dedicated support to the mobile integrated health (MIH) program
 - Adds a part-time Fire Inspector to alleviate the strain of utilizing line personnel to assist with inspections; keeps units in service
 - Cadet-Intern Program = Build a pipeline of future Firefighter / Paramedic candidates

Levy Limit Exception for Public Safety Staffing Plan – Cost and Funding Strategy

- Total cost = \$1,914,920
- How will this staffing plan be funded? = Levy limit exception for debt service; reallocation of utility aid payment
- Levy limit exception for debt service is heavily utilized by municipalities in Wisconsin:
 - 179 of 190 cities (94%)
 - 25 of 27 cities and villages over 30,000 in population (93%)
 - 17 of 19 municipalities in Milwaukee County (89%)

Levy Limit Exception for Public Safety Staffing Plan – Tax Implications

	2018	2019	2020	2021	2022	2023
City of Oak Creek Levy	\$20,697,879	\$21,532,906	\$22,751,537	\$23,309,433	\$23,893,006	\$24,275,832
Difference	\$436,748	\$835,027	\$1,218,631	\$557,896	\$583,573	\$382,826
% Difference	2.2%	4.0%	5.7%	2.5%	2.5%	1.6%
Tax Impact on Median Valued Home (\$323,700)					Annual Per Month	\$1,440.26 \$120.02

	2018	2019	2020	2021	2022	2023
City of Oak Creek Levy	\$20,697,879	\$21,532,906	\$22,751,537	\$23,309,433	\$23,893,006	\$26,190,752
<i>(w/ levy limit exception for debt service for personnel requests)</i>						
Difference	\$436,748	\$835,027	\$1,218,631	\$557,896	\$583,573	\$2,297,746
% Difference	2.2%	4.0%	5.7%	2.5%	2.5%	9.6%
Tax Impact on Median Valued Home (\$323,700)					Annual Per Month	\$1,553.87 \$129.49

Marketing & Public Relations “Budget”

- The *2024 Executive Draft Budget* does not create a new Marketing and Public Relations Department
 - Reserve \$105,000 in the contingency account to fund a portion of the Marketing & Public Relations Director position
- This conversation also relates to numerous SAP goals, as well as present and future strategies with the City/Tourism Commission structure the staff would like to discuss with the full Common Council, time-permitting, in our budget workshops

Structural Change - Elimination of WE Energies Fund

- The Police and Fire Department line-item budgets in the WE Energies Fund are reallocated to the existing Police and Fire Department in the General Fund and EMS Fund
 - Only possible due to the suspension of the Expenditure Restraint Incentive Program (ERIP) limit for 2024 Budget per 2023 WI Act 12
- Significantly reduces the administrative burden of accounting for expenditures while better communicating the actual cost of operations for those Departments

Use of Cash-on-Hand for CIP Requests

- The proposed 2024 CIP includes the use of \$1,267,000 in cash-on-hand for:
 - Equipment Replacement Fund = \$547,000
 - Front End Loader Replacement = \$216,000
 - IT Core Network Replacement = \$150,000
 - Patch Truck Replacement = \$103,000
 - Civic Center Server Room UPS and A/C Unit Installation = \$63,000
 - Fire Department Fitness Equipment = \$15,000

Use of Cash-on-Hand for CIP Requests (cont.)

- The proposed 2024 CIP includes the use of \$1,267,000 in cash-on-hand for:
 - Building Reserve Fund = \$360,000
 - Civic Center Roof Maintenance = \$40,000
 - Fire Station No. 3 Furnishings = \$18,000
 - Fire Station No. 3 Interior Painting = \$17,000
 - Police Station and Fire Station No. 3 VFD Replacements = \$100,000
 - Police Station Chiller Replacement = \$185,000
 - S. 6th Street Bridge - 7600 (Local Match) = \$360,000

CIP Funding for Self-Contained Breathing Apparatus (SCBA)

- The Fire Department needs SCBA replacements
- The City has applied for a FEMA grant in the amount of \$500,000, but has yet to receive word on this year's application
 - If unsuccessful this year, we will apply again next year
 - If ultimately unsuccessful, funding options:
 - Cash-on-hand?
 - Debt issuance?

Establishing Sustainable Funding for Sidewalk and Trail Maintenance

- The 2024 CIP includes \$60,000 for a sidewalk and trail improvement program
- The City's 2023-2027 SAP includes the following goal:
determine long-term funding policy and identify a plan to fill in existing connection gaps and otherwise expand our sidewalk and trail network.

Storm Water Fees

- The current storm water fee is \$39 per ERU
- In 2023, the City borrowed \$1.25 million to complete the Drexel Ave. storm water lift station rehabilitation project
 - The first debt service payment of \$210,404 is included in the 2024 Budget
- The *2024 Executive Draft Budget* does not include an increase to the storm water fee, but we may need to increase the fee in future budgets to accommodate the debt service payment

Storm Water Fees (cont.)

**City of Oak Creek
Storm Water Long-Range Financial Plan
Rate Analysis**

	Actual 2022	Budget 2023	Estimated 2023	Budget 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
Starting Reserves Position	\$ 493,299	\$ 676,450	\$ 676,450	\$ 1,096,062	\$ 1,059,995	\$ 1,018,685	\$ 956,100	\$ 866,935	\$ 755,855
Storm Water Charges	1,120,636	1,130,000	1,131,878	1,143,207	1,143,230	1,148,940	1,154,690	1,160,460	1,166,260
Other Revenues	13,826	3,000	63,000	43,000	3,000	3,000	3,000	3,000	3,000
Debt Proceeds + Premium	-	-	1,337,472	-	-	-	-	-	-
Operating	721,312	777,320	632,737	786,870	806,540	826,700	847,370	868,550	890,260
Capital purchases, net of grants	230,000	230,000	1,480,000	225,000	231,750	238,700	245,860	253,240	260,840
Debt Service Payments	-	-	-	210,404	149,250	149,125	153,625	152,750	151,625
Net Change in "Cash"	183,150	125,680	419,613	(36,067)	(41,310)	(62,585)	(89,165)	(111,080)	(133,465)
Ending Reserve Position	\$ 676,450	\$ 802,130	\$ 1,096,062	\$ 1,059,995	\$ 1,018,685	\$ 956,100	\$ 866,935	\$ 755,855	\$ 622,390

Q & A

