

City of Oak Creek



Oak Creek

**2011 Annual Budget
and Capital Improvement Plan**

City of Oak Creek 2011 Annual Budget

PRINCIPAL OFFICIALS

MAYOR

Richard R. Bolender, April 2012

COMMON COUNCIL

Daniel Jakubczyk, April 2011
First District

Daniel Bukiewicz, April 2012
Second District

Stephen Scaffidi, April 2011
Third District

Michael E. Toman, April 2012
Fourth District

Kenneth Gehl, April 2011
Fifth District

Thomas Michalski, April 2012
Sixth District

ADMINISTRATION

Vacant, City Administrator

Mark Wyss, Finance Director

Pamela S. Bauer, City Clerk

Barbara A. Guckenberger, City Treasurer

John Edwards, Acting Police Chief

Caesar Geiger, Information Technology Manager

Larry Haskin, City Attorney

Brian Satula, Fire Chief

Richard Kulka, Facility Maintenance Superintendent

Douglas Schachtner, Director of Parks, Recreation and Forestry

Michael J. Lampe, Street Superintendent

Judith A. Price, Public Health Officer

Douglas Seymour, Community Development Director

Michael Simmons, Acting City Engineer

Ross Talis, City Librarian

Steve Yttri, Utility Manager



Oak Creek

Date: December 3, 2010
To: Mayor and Common Council Members

From: Finance Director Mark Wyss

Purpose: 2011 Budget

On November 15, 2010, the Common Council adopted the enclosed budget for fiscal year 2011.

This budget increases spending in the City's General Fund by 2.1% but reduced the tax levy by .2% and reduced the tax rate by \$.01 and used a planned reduction in fund balance of \$775,880. Even with this withdrawal, the City's fund balances remain within industry recommendations and Council policy.

This budget attempts to maintain the high level of services and programs that the Council, Mayor, and citizens of Oak Creek have come to expect.

This transmittal letter will provide an overview of various factors and issues affecting the budget, and a summary of the budget elements.

MAJOR FACTORS

Discussion points from the 2011 Budget:

1. The City is bringing forward a structural deficit of \$630,000 from the 2010 budget. As you will recall, it was the will of the Council to not increase the tax levy for the 2010 budget. In accomplishing this goal, \$630,000 was slated to be used from reserves, so we begin the 2011 budget process needing to make up this revenue.

Due to better than anticipated revenues in 2010 and some unanticipated vacancies, the City has been able to close this gap considerably. It is quite possible that 2010 will finish without the City needing to use the \$630,000 from reserves.

2. General fund expenditures in the approved 2011 budget have increased by \$464,051 (2.1%) over 2010, mostly due to negotiated union settlements. Factoring in 2010 expected performance, it is anticipated that the structural gap (the difference between on-going revenues and on-going operating expenditures) will be \$775,000.
3. The budget as adopted increased a three-quarter-time position in Information Services (Computer Tech) to full time. Also, a mechanic position in the Street Department was increased from three-quarter time to full time. Otherwise, staffing levels remain constant for 2011.

4. Staff has undergone a review of fees as part of the 2011 budget process. As a result, this budget contains fee increases in the area of Building Inspection and Health Fees. In both cases the City was below the average for the surrounding area. The fee increases proposed bring inspection fees in line with the *average* of the surrounding area. You will note an increase in the estimate for inspection fee revenue as a result of these changes, as well as some expected large permits associated with the renovation to the Bucyrus Headquarters.

A new cell tower lease agreement comes into effect for 2011 resulting in an additional \$26,000 in revenues to the General Fund. Staff is also pursuing an additional cell lease which would go into effect late 2010 or early 2011 which could result in a similar increase in revenue.

The Solid Waste Fund contains a new \$2.00 per day fee for the use of the recycling center. Accordingly, I have included a revenue estimate of \$75,000 into the Solid Waste Fund, which is a conservative initial estimate.

The EMS Fund includes a revenue estimate of \$75,000 for an annual fire inspection fee for business. This fee would be handled similarly to the City's Storm Water Fee, where the charge is based on square footages. This is also a conservative estimate of revenue.

Both the EMS fund and the Solid Waste fund are in need of additional revenues to continue to ensure the fund's solvency.

5. The adopted 2011 budget once again includes an actual cash contingency fund of \$100,000 within the General Fund – General Government. These funds can only be accessed and expended with specific Council authority.
6. Over the past few years the levy contribution to the Capital Projects Fund has been significantly reduced. In 2006 the levy contribution to this fund was \$3.3 million. By 2009 the levy contribution fell to \$250,640. The budget for 2010 had a -0- contribution from the levy. In 2011, the Capital Projects Fund would only be funded by a \$1,000,000 contribution from the WE Energies Mitigation Payment, impact fees, special assessments and the balance of un-programmed funds.
7. The Storm Water Utility Fund is funded by a special utility fee based on the amount of impervious surface contained on each specific parcel of land. Each residential unit pays a flat Equivalent Residential Unit (ERU) amount of \$24.00 while condominiums pay \$12.00 each. All other land has the impervious surface measured and calculated against the pre-established ERU. This special fee raises \$610,000 (2010 estimate). This fund covers specific expenditures within the Street Department that provide direct services to the storm water needs of the city. This fund is no longer building a reserve and in fact is currently depleting the remaining reserves.

In 2010 the City hired Ruekert & Mielke to prepare an in depth rate study for the Storm Water Utility. The study, which was recently completed, recommends changes in staff time allocations, overhead allocations and equipment deployment costing. In all, the recommends that the current fee of \$24/ERU should be increased to \$36/ERU.

Staff is recommending that the change in employee time allocation and overhead allocation, and the increases in revenue required to accomplish them, be phased in over several years. Consequently, the 2011 budget contains a Storm Water Fee increase from \$24 to \$27.50, an *annual* increase of \$3.50. This will result in approximately \$87,500 in additional revenue which would be used for capital expenditures intended to mitigate the storm water challenges within the City.

8. The budget as adopted continues to handle Weed Commissioner and associated complaints through the Highway Department. The Highway Department was able to successfully handle weed cutting during a very wet and busy 2010 cutting season.
9. The WE Energy mitigation payment contributes \$2.25 million annually to the City of Oak Creek budget. Based on decisions made in 2003-2004 a specific amount is distributed to support the costs of three police officers, three firefighters, 5% of the operating fund of the police and fire departments and 2% of the gross wages of the police and fire departments. This leaves approximately \$1 million that has been placed in the Capital Improvement Fund.

It is anticipated that in 2011 an analysis will be performed to ascertain whether the percentages used to allocate the Mitigations funds are in line with actual costs and are the best possible use for these important dollars.

10. The City has received notice of the Public Utility Aid payments from the State of Wisconsin. Public Utility Aid is a state tax imposed on the base-load electric generated at the WE Energy Power Plant.

In 2009 the City received about \$1.7 million in revenue in Public Utility Aid for the existing facility. With the first new turbine expected to begin producing commercial power in December of 2009, we *expected* the first influx of public utility aid from this generator to be paid in 2010. Unfortunately, the 1st new turbine didn't go online until January of 2010 so the City did not receive an estimated \$1.5 million in additional Utility Aid.

We know for certain that the City will receive \$1.5 million in additional aid for 2011 and that there is a very high probability that we will receive the entire \$3 million. According to WE energies, they fully expect the second turbine to go online this fall.

Per notice received for the Wisconsin Department of Revenue, total estimated Utility Aid for the City of Oak Creek, assuming the second turbine is online, will be \$4,967,232, an increase of just over \$3 million.

On December 29, 2010 the City was notified that the second turbine would not be going on-line in 2010. This translates to a loss of \$1.5 million to the City for 2011. Fortunately, none of this new Utility Aid had been budgeted to cover any operating costs. The funds are being set aside to assist the City in its capital improvement program and the infrastructure needs that are looming.

It is now anticipated that the second turbine will start in January of 2011, meaning that the City will finally receive its full allotment of utility aid in 2012.

EFFECT OF THE STATE LEVY LIMIT

In their 2009-2011 biennium budget the State Legislature imposed a 3% limit on levy increases for all local units of government. This imposed levy limit would allow the City of Oak Creek to increase the levy by \$565,800. The City is also allowed to carry over unused levy capacity from prior years amounting to an additional \$961,700, for a total levy capacity of \$1.5 million.

The city also participates in the Expenditure Restraint Program. This is a program in which a municipality that mills at \$5.00 or more can elect to participate. The municipality can receive additional state revenue if their respective budget is maintained under a prescribed limit -- a pre-established levy increase reflective of the area CPI, or the municipal growth. For Oak Creek that means an expenditure increase of 3% which we have met.

There is a caveat however: a new accounting pronouncement from the Government Accounting Standards Board will go into effect for financial statements prepared for 2010. This new standard changes the accounting definition for a special revenue fund *for financial statement purposes*.

The City has two special revenue funds that could be jeopardized by this new pronouncement: the EMS fund and the Solid Waste Fund. If these two funds are rolled back into the General Fund for financial statement purposes, the City will exceed the 3% growth factor and lose Expenditure Restraint Aid in 2012. This should be a one year event. Once these funds are reported in the General Fund, our overall expenditure growth rate should be low enough to once again qualify for the program. Cities often fall out and re-qualify for this program. I will keep the Council informed as I continue to work with our auditors regarding this issue.

BUDGET OVERVIEW

1. City Valuations

According to State Department of Revenue figures, the equalized value of all property in the City on 01-01-10 is \$3,113,583,000, a decline in value of 5.5%. Final assessed value came in roughly unchanged from 2010 which resulted in an assessment ratio of 106.3%. Because the Common Council reduced the overall tax levy by some \$41,000 and the City's assessed value remained flat, the actual adopted tax rate is \$5.78 for fiscal 2011, a decrease of \$.01.

2. Revenues

At this point, total General Fund revenues in 2011 are estimated to be approximately \$22,801,880 which is \$339,065 more than the budgeted 2010 revenues of \$22,462,815. Transportation Aids are increasing by approximately \$16,000.

3. Expenditures

General Fund Expenditures in the 2011 budget as submitted are \$23,577,760, an increase of \$464,051 (2.1%). The bulk of this increase is related to employee and energy costs.

4. Fund Balance

It is estimated that the City will have \$7,640,000 in fund balance at the end of 2010, which represents 34% of the operating budget. The 2011 budget as adopted utilizes fund balance in the amount of \$775,880 to bridge the gap between revenues and expenditures. The planned use of fund balance would leave a reserve of 29.1%, which exceeds the City's goal of keeping a fund balance of between 10% and 20%.

OPERATING BUDGET

All departments were instructed to keep non-personnel operating costs at a zero or near-zero increase, wherever possible, recognizing that personnel costs are the majority of the City's expenses. Due to the fluctuating cost of gasoline, and the anticipated increase in electricity and natural gas, this was not completely possible. Areas over which there is more control, such as training, office supplies, and minor equipment, generally met the zero-increase target. The total General Fund budget, including estimated increases in personnel costs, remained *flat* from 2010 to 2011.

CAPITAL IMPROVEMENT/EQUIPMENT PROGRAM

This budget includes a complete listing of requests. All Capital Improvement project requests and Capital Equipment requests were reviewed by the CIP Committee, and a letter grade was assigned to each request, with major requests left for full Council discussion. The total amount requested for 2011 is \$18,957,287 inclusive of Tax Incremental Districts. Requests requiring CIP funding totaled \$5,445,287, with \$4,102,709 being recommended by the CIP Committee and \$4,062,189 being adopted by the Common Council.

OTHER FUNDS

There are two Special Revenue Funds that are in need of particular consideration for 2011 and beyond:

1. Fund 11 -Solid Waste Fund

The 2010 projected ending fund balance for the Solid Waste Fund is anticipated to be under \$40,000 or 1.3% of operating costs. The 2011 tax levy has been held to the 2010 level, but revenue increases or expenditure reduction will need to be considered beyond 2011. As mentioned earlier in this transmittal, a \$2 daily fee is being proposed for the recycling center.

2. Fund 37 - Emergency Medical Services (EMS)

The tax levy contribution to the EMS Fund was increased in 2008 to \$3,195,000. In 2010, the levy contribution to this fund was increased to \$3,559,000. Along with the levy increase, the Fire Insurance Rebate revenue of \$90,000 was relocated from the General Fund to the EMS fund.

This fund will continue to experience a revenue shortfall into the future unless changes are made on the revenue and/or on the operation side. An introduction of a Fire Inspection Fee has been included in this budget proposal but further changes will need to be made to keep this fund solvent.

SUMMARY COMMENTS

In summary, the 2011 budget as adopted was prepared with a balance between the continuation of quality services to Oak Creek citizens and the continuing awareness of the burden on taxpayers. These are times of fiscal crisis for taxing agencies, particularly the State of Wisconsin and Milwaukee County, so it has become even more critical for the City of Oak Creek to maintain its record of fiscal stability.

Once again, this was not accomplished without some financial management that cannot be repeated in future years. The redistribution of tax levy, coupled with the use of residual CIP funding and a use of reserves has allowed the presentation of a balanced budget. *It must be pointed out that continuing to freeze the tax levy while not reducing operational costs or staffing levels, or providing other revenue sources, will continue to create a growing structural deficit.* While the use of excess reserve funds is prudent, the City cannot rely on reserves (one-time revenues) to fund its operations (on-going costs).

Certainly there is growth in our future which will provide revenue. Our future holds much promise. In the meantime, it is important that we remain fiscally responsible so that tax increases, when they come, are reasonable, responsible, and incremental, rather than sporadic and burdensome.

Challenges definitely lie ahead. Properly marshalling our resources will help us as we work to overcome our challenges while building an effective, efficient government which serves a growing and prosperous community.

ORDINANCE NO. 2605

BY: Ald. Michalski

AN ORDINANCE ADOPTING THE
2011 BUDGET AND MAKING APPROPRIATIONS

The Common Council of the City of Oak Creek does hereby ordain as follows:

SECTION 1: As per the requirements of Section 3.01 of the Municipal Code of the City of Oak Creek, the various departments of the municipal government of the City of Oak Creek, having prior hereto duly submitted and filed with the City Administrator an itemized statement of disbursements made to carry out the power and duties of such department during the preceding fiscal year, and a detailed statement of the receipts and disbursements on account of any special fund under the supervision of the department during such year, and of the conditions and management of such fund, together with detailed estimates of the same matters of the respective departments of the City for the current fiscal year, and for the ensuing fiscal year, all formulated in budget form as is required by statutes, and the budget so formulated in detail, prior to the determination of the sum to be financed in whole or in part, by a general property tax, funds on hand and estimated revenues from all sources was available for public inspection and a summary of such budget was duly published in a newspaper of general circulation and a public hearing was held on Monday, November 15, 2010 at the City Hall at 7:00 p.m., where all residents and taxpayers were afforded an opportunity to be heard on all matters pertaining to said proposed budget.

SECTION 2: The Common Council of the City of Oak Creek does hereby adopt the budget hereinafter set out in detail and hereby appropriates under the requirements of the Purchasing Policy for corporate purposes and sums of money or so much thereof as may be needed and deemed necessary to defray all expenses and liabilities for municipal purposes of the fiscal year, commencing on the 1st day of January, 2011 and ending the 31st day of December, 2011.

SECTION 3: The Common Council of the City of Oak Creek does hereby order that a copy of the budget hereby adopted be published in summary form and this ordinance of said budget shall be effective immediately after passage and publication.

Introduced this 15th day of day of November, 2010.

Passed and adopted this 15th day of November, 2010.

Thomas A. Michalski
President, Common Council

Approved this 15th day of November, 2010.

Richard L. Bolender
Mayor

ATTEST:

Samuel S. Bauer
City Clerk

Vote: Ayes 5 Noes 1

City of Oak Creek
Summary 2011 Budget and Appropriations
as Revised and Approved by the Common Council
November 15, 2010

FUND	Number	Budget
General Fund	10	
General Government		5,903,385
Public Safety		11,108,110
Health/Social Services		668,960
Public Works		3,758,410
Leisure		2,138,895
Total Appropriations		<u>\$23,577,760</u>

FUND	Number	Budget	Other Funds	Number	Budget
Other Funds					
Solid Waste	11	1,460,480	Future Improvements	34	125,000
Donations	12	199,000	Impact Fee Escrow	35	0
We Power Mitigation	19	1,382,692	Health Insurance	36	6,001,500
General Debt	20	501,344	EMS	37	4,932,995
Debt Amortization	21	0	Storm Water Utility	38	604,630
Debt Service TID #4	26	360,500	Police Assets	39	10,050
Debt Service TID #5	27	92,443	Capital Projects	40	4,062,189
Debt Service TID #6	28	135,115	Developer Agreements	41	100,000
Debt Service Police Station	29	1,055,435	TID #7-Capital Projects	43	500,000
Special Assessments	30	0	TID #8-Capital Projects	44	9,000,000
Economic Development	31	138,800	TID #9-Capital Projects	45	6,590,000
Park Development Escrow	32	0			
Low Income Loan	33	4,100			
Total Expenses - All Funds					<u><u>\$60,834,032</u></u>

General Property Tax Rate Per Thousand of Assessed Valuation

2009 Assessed Value	\$3,308,303,500	100.56% Ratio
2010 Assessed Value	3,316,366,400	106.34% Ratio

State	0.16
County	5.18
MMSD	1.35
City of Oak Creek	5.78
Oak Creek-Franklin School District	8.39
MATC	1.80

Total: **\$22.66**

Less Credits:

Milwaukee County Sales Tax Credit	(0.99)
State School Tax Credit	(1.38)

Net Tax Rate: **\$20.29**

NET NEW CONSTRUCTION 2009-2010

August 13, 2010

COMUN CODE	NAME OF MUNICIPALITY	2009 TOTAL EQUALIZED VALUE	AMOUNT OF NET NEW CONSTRUCTION	PERCENT CHANGE
40106	VILLAGE OF BAYSIDE*	\$639,695,300	\$585,800	0.09%
40107	VILLAGE OF BROWN DEER	\$1,128,003,400	\$15,417,600	1.37%
40126	VILLAGE OF FOX POINT	\$1,134,731,000	\$800,900	0.07%
40131	VILLAGE OF GREENDALE	\$1,381,185,600	\$1,175,700	0.09%
40136	VILLAGE OF HALES CORNERS	\$701,608,400	\$3,562,900	0.51%
40176	VILLAGE OF RIVER HILLS	\$525,309,500	\$3,487,200	0.66%
40181	VILLAGE OF SHOREWOOD	\$1,525,289,600	-\$158,300	-0.01%
40191	VILLAGE OF WEST MILWAUKEE	\$369,529,200	\$110,000	0.03%
40192	VILLAGE OF WHITEFISH BAY	\$2,062,777,400	\$10,231,500	0.50%
40211	CITY OF CUDAHY	\$1,327,180,800	\$1,015,000	0.08%
40226	CITY OF FRANKLIN	\$3,912,642,600	\$29,828,600	0.76%
40231	CITY OF GLENDALE	\$2,442,838,700	\$35,964,600	1.47%
40236	CITY OF GREENFIELD	\$3,088,820,800	\$5,533,000	0.18%
40251	CITY OF MILWAUKEE*	\$31,246,161,200	\$231,865,100	0.74%
40265	CITY OF OAK CREEK	\$3,293,533,700	\$22,974,200	0.70%
40281	CITY OF SAINT FRANCIS	\$681,521,100	\$13,717,700	2.01%
40282	CITY OF SOUTH MILWAUKEE	\$1,404,083,200	\$2,219,900	0.16%
40291	CITY OF WAUWATOSA	\$5,610,122,800	\$25,076,300	0.45%
40292	CITY OF WEST ALLIS	\$4,361,120,200	\$9,438,200	0.22%
40999	COUNTY OF MILWAUKEE	\$66,836,154,500	\$412,845,900	0.62%

* Split districts are summed at the end of the report

CERTIFICATE OF EQUALIZED VALUE

I certify that I am Chief of the Local Government Services Section of the Wisconsin Department of Revenue, and that the equalized value of all taxable property of the CITY OF OAK CREEK, MILWAUKEE COUNTY,

Wisconsin as last determined by the Wisconsin Department of Revenue pursuant to Sections 70.57 and 67.03 Wisconsin Statutes, is \$ 3,113,583,000 said equalized value determination being as of January 1, 2010.

Certified each August 15
Effective August 15, 2010
through August 14, 2011.



Stanley J. Hook, Chief
Local Government Services Section

PAMELA BAUER
CITY OF OAK CREEK
8640 S HOWELL AVE/P O BOX 27
OAK CREEK WI 53154

CITY OF OAK CREEK 2011 BUDGET

10 Year Change in Tax Rate & Tax Levy

<u>Year of Levy/Collection</u>	<u>City Tax Levy</u>	<u>Change</u>	<u>City Tax Rate/\$1,000</u>	<u>Change</u>	<u>Change in CPI +</u>
2010/2011	\$ 18,819,420	-0.2%	\$ 5.78	-0.2%	1.6% *
2009/2010	\$ 18,861,420	-0.5%	\$ 5.79	0.0%	-0.4%
2008/2009	\$ 18,954,380	1.4%	\$ 5.79	-0.5%	3.8%
2007/2008	\$ 18,685,140	2.9%	\$ 5.82	-16.3%	2.8%
2006/2007	\$ 18,164,740	4.0%	\$ 6.95	0.7%	3.2%
2005/2006	\$ 17,461,998	2.6%	\$ 6.90	-1.1%	3.4%
2004/2005	\$ 17,013,363	3.0%	\$ 6.98	-20.9%	2.7%
2003/2004	\$ 16,513,363	1.6%	\$ 8.82	-0.1%	2.3%
2002/2003	\$ 16,251,239	1.3%	\$ 8.83	-1.9%	1.6%
2001/2002	\$ 16,035,696		\$ 9.00		
Average:		1.8%		-4.5%	2.3%

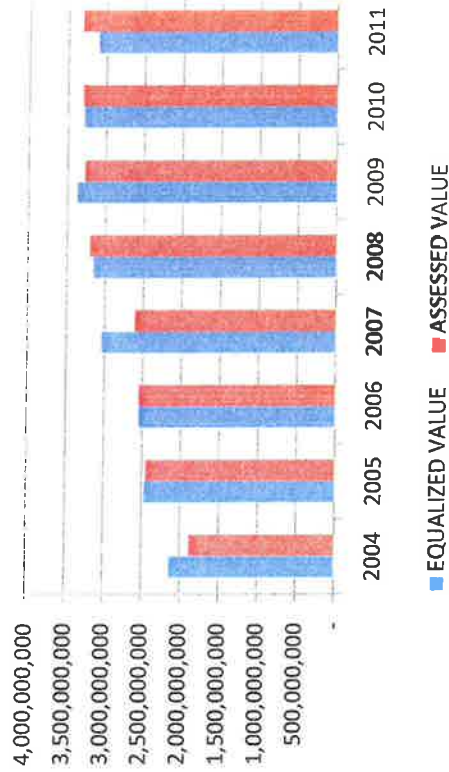
* Thru November 2010

+ Consumer Price Index, all urban consumers, not seasonally adjusted (CPI-U)

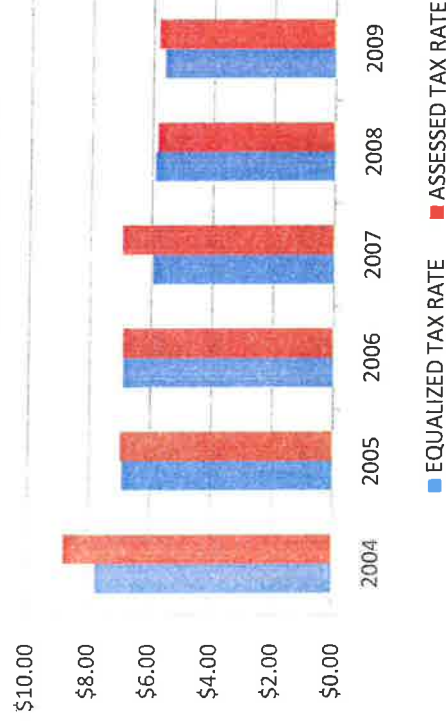
CITY OF OAK CREEK 2011 ANNUAL BUDGET 8 YEAR HISTORY OF CITY'S TAX RATE AND VALUES

	2004	2005	2006	2007	2008	2009	2010	2011
EQUALIZED VALUE	2,142,128,700	2,469,572,500	2,550,239,400	3,046,431,800	3,160,910,400	3,380,874,000	3,293,533,700	3,113,583,000
ASSESSED VALUE	1,886,997,950	2,449,930,570	2,549,618,560	2,609,342,280	3,208,917,730	3,283,663,300	3,308,303,500	3,316,366,400
RATIO	88.09%	99.97%	96.30%	86.12%	101.50%	98.17%	100.56%	106.34%
Assessed Tax Rate	\$8.82	\$6.98	\$6.90	\$6.95	\$5.82	\$5.79	\$5.79	\$5.78
Equalized Tax Rate	\$7.77	\$6.93	\$6.90	\$5.95	\$5.91	\$5.62	\$5.82	\$6.16

OAK CREEK 2010 BUDGET 8 YEAR HISTORY OF VALUES



OAK CREEK 2010 BUDGET 8 YR HISTORY-TAX RATES

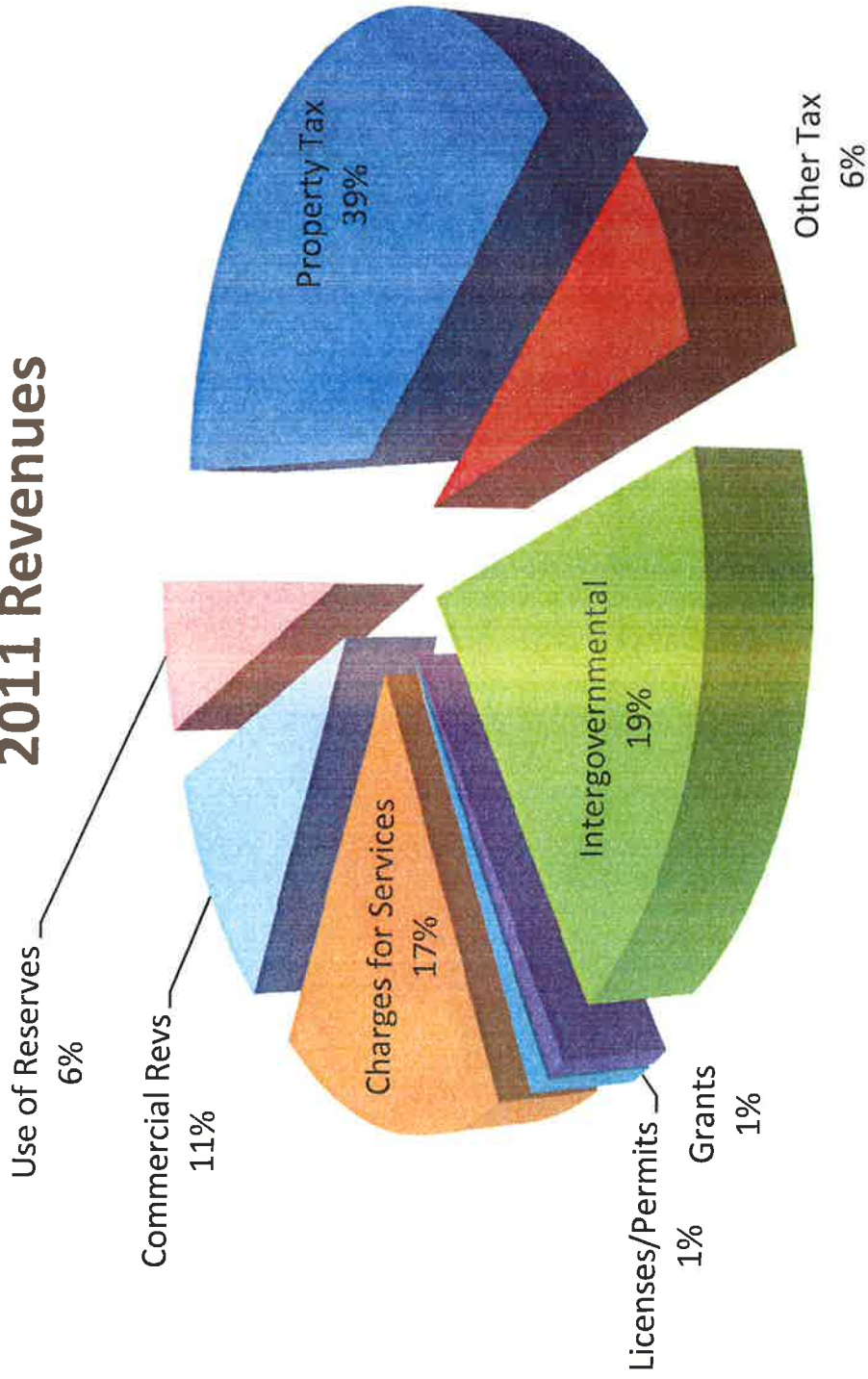


CITY OF OAK CREEK 2011 BUDGET

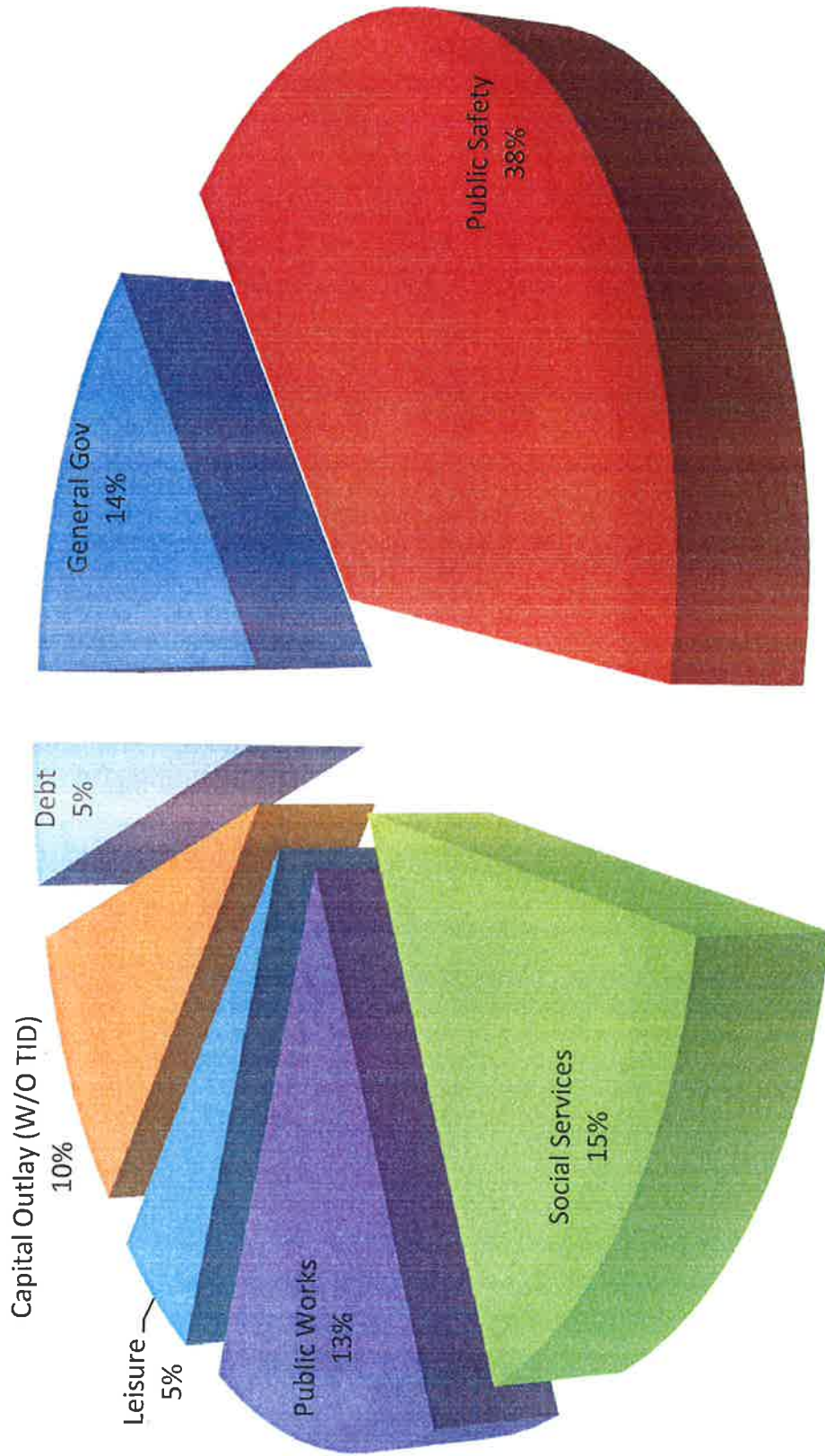
Tax Rates per \$1000 of Assessed Value

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
State	\$ 0.16	\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.21	\$ 0.19	\$ 0.20	\$ 0.23	\$ 0.21	\$ 0.20
County	5.18	5.15	5.14	4.83	5.83	5.43	5.87	6.88	6.83	6.87
MMSD	1.35	1.32	1.33	1.26	1.52	1.42	1.55	1.80	1.81	1.73
City Of OC	5.78	5.79	5.79	5.82	6.95	6.90	6.98	8.82	8.83	9.00
School	8.39	8.59	8.22	7.62	8.07	7.87	8.30	10.05	9.63	9.64
MATC	1.80	1.90	1.89	1.74	2.07	1.88	1.96	2.24	2.14	2.06
Gross Tax	22.66	22.92	22.54	21.44	24.65	23.69	24.86	30.02	29.45	29.50
School Tax Credit	-0.99	-1.33	-1.29	-1.15	-1.25	-1.01	-1.06	-1.35	-1.32	-1.30
County Sales Tax Credit	-1.38	-1.02	-1.06	-1.00	-1.25	-1.18	-1.27	-1.46	-1.40	-1.40
NET TAX RATE	\$ 20.29	\$ 20.57	\$ 20.19	\$ 19.29	\$ 22.15	\$ 21.50	\$ 22.53	\$ 27.21	\$ 26.73	\$ 26.80
Ratio of Assessed to Equalized Value	106.34%	100.56%	98.17%	101.51%	86.12%	96.30%	99.97%	88.09%	93.41%	98.27%
First Dollar Credit	\$ 61.63	\$ 61.26	\$ 31.13							
Lottery Credit	\$ 77.71	\$ 69.88	\$ 71.83	\$ 78.16	\$ 80.21	\$ 73.94	\$ 79.04	\$ 76.99	\$ 70.44	\$ 71.99

2011 Revenues



2011 Expenditures



City of Oak Creek 2011 Annual Budget

Budget Summaries

The Budget Summaries are condensed versions of the different funds that appear throughout the 2011 Annual Budget book. These pages are included to provide the easiest means to summarize the City's financial operations. The format is close to the state requirements except that interfund transfers are not double counted. On the budget page used for publication in the paper for official notice when the transfer is made from the first fund it is counted and it is counted again as an expense when it is paid out of the second fund. Since the interfund transfers represent such a large part of the City's financial activity a legend is included below to explain the acronyms that appear under the Interfund Transfers section of the summary pages.

Number	Name
--------	------

General Purpose Funds

10	General Fund
12	Donations
36	Health Insurance

Debt Funds

20	General Debt (Street Garage)
21	Debt Amortization
26	Debt TIF #4 (Rosen-Mahn Court)
27	Debt TIF #5 (Milwaukee Steel)
28	Debt TIF #6 (DeMattia)
29	Debt Police Station

Special Revenue Funds

11	Solid Waste
19	WE Power Mitigation
30	Special Assessments
31	Economic Development (CDA)
32	Park Development Escrow
33	Low Income Loan
34	Development Agreement Future Improvements
35	Impact Fee Escrow
37	Emergency Medical Services
38	Storm Water Utility
39	Asset Forfeiture

Capital Improvement Funds

40	Capital Improvements
41	Developer Agreements
43	Capital Improvements TIF #7 (27 th Street)
45	Capital Improvements TIF #8 (WisPark)
46	Capital Improvements TIF #9 (13 th Street)

TABLE OF CONTENTS

General Fund - Fund #10

<u>Dept #</u>		<u>Page #</u>
	General Fund Revenues	3
40	General Government	7
41	Facility Maintenance	13
42	City Administrator	19
43	Information Technology	21
44	City Clerk	25
45	Finance	29
46	City Treasurer	32
48	City Assessor	36
50	City Attorney	40
55	Community Development	47
60	Police	54
61	Municipal Court	61
63	Emergency Management	64
65	Fire	67
70	Building Inspection	77
75	Health Department	80
81	Engineering	83
83	Street Department	90
90	Parks/Recreation/Forestry	97
95	Library	106

Other Funds

<u>Fund #</u>		<u>Page #</u>
11	Solid Waste	113
12	Grants/Donations	119
19	WE Energies	123
20	General Purpose Debt Service	128
21	Debt Amortization Fund	131
26	Debt Service, TID #4	133
27	Debt Service, TID #5	136
28	Debt Service, TID #6	139
29	Debt Service, Police Station	142
30	Special Assessment Fund	145
31	Economic Development	147
32	Park Development Escrow	153
33	Low Interest Loan	156
34	Future Improvement	158
35	Impact Fee Escrow	160
36	Health Insurance	165

TABLE OF CONTENTS

<u>Fund #</u>		<u>Page #</u>
37	Emergency Medical Services	169
38	Storm Water Utility	173
39	Police Asset Forfeiture	179
40	Capital Projects	181
41	Developer Capital Projects	235
43	TID #7 Capital Improvements	237
44	TID #8 Capital Improvements	239
45	TID #9 Capital Improvements	241
Summarized Budgets		243-248
Budgeted Personnel		249-251
Economic Profile		252-255

THE GENERAL FUND

City of Oak Creek 2011 Annual Budget

Fund Name: General Fund -- Fund 10

Fund Description:

The General Fund is the primary operating fund of the City. It is used to account for all funds not otherwise accounted for in other funds. It serves as the collection point for the widest variety of City revenues. Unlike all other funds, the dollars left over at the end of the year in each department or division's accounts reverts back to the General Fund balance to be reallocated the next year.

Fund Objectives:

The General Fund as the primary fund of the City needs to have adequate resources to handle shortfalls in revenue and the expenses related to unexpected emergencies. The Common Council continues two goals for 2010:

1. Maintain a "Contingency Reserve" of one (1.0 %) percent of General Fund Operating expenses.
2. Maintain a "Designated Carry-over Balance" of ten (10%) percent to twenty (20%) of general fund operating expenses.

Future Issues

The City faces a growing structural budget deficit in its general fund. A levy freeze utilized in preparing the 2010 budget required to City to use \$600,000 from reserves. A second year of a levy freeze is proposed. As of the initial writing of this transmittal, this second levy freeze will create an additional \$500,000 gap, requiring the City to potentially use more reserves to balance its budget.

The issues of State-shared revenues and property-tax levy and revenue limits continue to dominate Wisconsin's political scene. The future status of shared revenues remains unclear, as does the potential limit on municipal revenues. Although the State has not formalized action on their budget, it appears that levy limits will be re-imposed after the initial two year cap.

Cities like Oak Creek that are experiencing rapid growth are allowed to further increase the levy, but only by the amount attributable to new growth. The City of Oak Creek government has kept the City portion of the tax levy under a self imposed limit of that amount for three years prior to the state's imposition of a cap. If State-shared revenues are further reduced or eliminated, or extreme revenue limits are instituted, it will force a change in service levels and necessitate layoffs. It will take a considerable effort on the part of all local governments in the future to keep shared revenues intact and to work within limits set by the state, just as it takes considerable effort for the City's government to hold the line on its portion of property taxes.

City of Oak Creek 2011 Annual Budget

Fund / Department	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2010 Estimate	2011 Budget
General Fund Summary						
Beginning Balance	\$7,228,096	\$6,020,637	\$6,154,563	\$6,512,842	7,783,518	7,643,918
Revenues						
Taxes	9,724,077	12,090,250	13,352,880	13,201,145	13,201,145	13,159,145
Other Taxes	1,677,595	1,705,812	1,761,183	1,693,500	1,718,001	1,757,000
State Shared Revenues	4,031,894	3,839,258	4,612,371	4,621,570	4,621,572	4,704,480
Other Intergovernmental	445,817	436,074	405,803	312,300	289,884	316,580
Licenses and Permits	687,005	565,474	445,968	461,600	421,065	540,125
Charges for Services	720,102	551,346	548,581	523,950	461,277	502,900
Public Health and Safety	36,755	96,484	94,876	73,000	75,729	43,900
Commercial Revenues	1,983,080	1,846,430	1,804,333	1,575,750	1,615,562	1,652,750
Expenditure Offset						125,000
Transfers	0	0	0	0	0	0
Total Revenues	\$19,306,325	\$21,131,128	\$23,025,995	\$22,462,815	\$22,404,235	\$22,801,880
Expenditures						
General Government	5,261,305	5,225,971	5,469,916	6,013,148	5,892,549	5,903,385
Public Safety	9,663,693	9,820,735	10,125,832	10,633,008	10,519,006	11,108,110
Health	513,010	569,632	511,519	657,482	623,325	668,960
Public Works	3,313,637	3,547,290	3,412,000	3,760,739	3,488,222	3,758,410
Leisure Services	1,762,154	1,833,574	1,877,773	2,049,368	2,020,733	2,138,895
Total Expenditures	\$20,513,799	\$20,997,202	\$21,397,040	\$23,113,745	\$22,543,835	\$23,577,760
Use of Reserves	\$1,207,474	\$0	\$0	\$650,930	\$139,600	\$775,880
Ending Fund Balance	\$6,020,622	\$6,154,563	\$7,783,518	\$5,861,912	\$7,643,918	\$6,868,039
Fund Balance Percentage	29.3%	29.3%	36.4%	25.4%	33.9%	29.1%

Expenditure Restraint limit = 3.00%
 2010 Adopted Budget = \$23,113,745
 Max 2011 General Fund Budget = \$23,807,157
 Does Proposed 2011 Budget meet Expenditure Restraint? YES

Property Tax Levy Cap = 3.00%
 2010 Adopted Levy = \$18,819,420
 State Imposed Levy Cap = \$20,287,174
 Post 2005 Debt Service = \$501,344

 \$ Amt Total Levy Capacity = \$20,788,518
 Unused Levy Capacity = 1,969,098