

FINANCIAL PLAN and 2015 ANNUAL BUDGET Public Hearing

VILLAGE OF WESTON

Monday, Nov 24th, 2014 @ 6:00 p.m.

Daniel Guild, Weston Administrator

Vision & Mission.

Vision Statement:

The Village of Weston strives to be the location of choice for living, working, and recreation.

Mission Statement:

The Village of Weston is committed to excellence and the delivery of cost-effective public services.

Preface.

- A budget is a team effort. We have a great group of people involved in key financial and leadership roles and I thank you all. Our Village government functions at a high level in part because of the many contributors who are committed to public service as a profession and who understand that the work we do matters.
- In building a financial plan for the upcoming year department Directors and the administrative people who support them, along with John Jacobs and Jessica Trautman of the Finance Department have pulled together and the result is a product which continues our array of public services and increases our tax rate from \$5.31 to \$5.57.

Financial Plan.

- The Village of Weston is currently in the 3rd year of implementing a 7 year (fy13 – fy19) long range financial plan, which will stabilize the tax rate, compensate for reductions in state aids, provide for capital equipment and project financing and reduce debt.
- The financial plan for the Village is built around the following assumptions:
 1. 1% annual growth in values.
 2. 3.44% increase in property tax levies, annually.
 3. Use of debt service exemption to fund capital equipment and fleet replacement schedule.

Explanation of Tax Rate.

- **Tax Rate:** an amount of tax collected from the tax base (usually expressed in mills, or \$.001 of assessed value).
- **Tax Levy:** an amount of assessed value times the tax rate.
- So for instance - - \$100,000 (assessed value of property) x \$.002 (2 mills tax rate) = \$200 tax levy.
- The tax levy for the Village is the total tax levy of all the properties within the Village.

Combined Assessed Tax Rate Impact.

- Total Village of Weston Combined Assessed Tax Rate is estimated to DECREASE from \$21.09 (Dec. 2013 tax bill) to \$20.34 (Dec. 2014 tax bill). This is a **75-cent rate DECREASE (or 3.56% decrease)**.
- Therefore, a \$100,000 assessed valued home will see about a **\$75 DECREASE** in their overall tax bill.
- Therefore, a \$150,000 assessed valued home will see about a **\$112.50 DECREASE** in their overall tax bill.
- Note, the lottery credit and first dollar credit amounts or changes to them have NOT been factored into the change in the Dec. 2013 and Dec. 2014 tax bills.

Village-Share of Assessed Tax Rate Impact.

- The Village of Weston's portion of the Assessed Tax Rate is estimated to INCREASE from \$5.31 (Dec. 2013 tax bill) to \$5.57 (Dec. 2014 tax bill). This is a 26-cent rate INCREASE (or 4.94% rate increase).
- Therefore, a \$100,000 assessed valued home will see a \$26 INCREASE in their overall tax bill.
- Therefore, a \$150,000 assessed valued home will see a \$39 INCREASE in their overall tax bill.
- In addition, the annual garbage/recycling charge will INCREASE from \$150 (Dec. 2013 tax bill) to \$151 (Dec. 2014 tax bill). This is a \$1 INCREASE for the 2015 budget year (or 0.67% increase).....or 2-cent increase PER WEEK only!

Village Tax Levy Impact Change.

- The *Village of Weston's tax levy* will be INCREASING from \$4,689,039 (Dec. 2013 tax levy) to \$4,883,049 (Dec. 2014 tax levy). This is an **INCREASE of \$194,010** in the Village's proposed Dec. 2014 tax levy (or a 4.14% increase), when excluding the 2 TIF Districts.
- Of this \$194,010 tax levy increase, **only \$60,684 was allocated to the General Fund** (or a 1.93% increase). The remainder of this increase went to the Aquatic Center Fund (\$40,000) and the Capital Improvements Fund (\$93,326). There was NO increase in the Debt Service Fund tax levy for the 2015 budget.

Village Tax Levy Impact Change, Part 2.

- ***When ONLY focusing on the 2 TIF Districts***, the tax increment assessed valuation of the 2 TIF Districts is increasing from \$204,671,972 (2013) to \$218,522,830 (2014), for a **total tax increment increase of \$13,850,858** (or 6.77% increase in assessed tax increment valuation). Therefore, the Village's portion of TIF District tax levy will be increasing from \$1,086,571 (Dec. 2013) to \$1,217,444 (Dec. 2014), which is a **TIF tax levy increase of \$130,873** for the Village's tax levy portion (or a 12.04% increase). Remember, the TIF District tax levy does NOT impact the Village's tax rate at all.
- So, ***when COMBINING the Village's tax levy and the TIF District tax levies***, the total Village portion of the COMBINED tax levy is going from \$5,775,610 (Dec. 2013) to \$6,100,493 (Dec. 2014), which is a **total COMBINED increase of \$324,883** (or a 5.63% increase).

Average Homeowner Impact.

Assessed Year	Budget Year	Average Ass Home	Tax Rate	Tax Amount	\$ Change	% Change
2009	2010	\$152,338	5.08	\$773.88		
2010	2011	\$151,953	5.08	\$771.92	-\$1.96	-0.25%
2011	2012	\$152,523	5.10	\$777.87	\$5.95	0.77%
2012	2013	\$152,265	5.16	\$785.69	\$7.82	1.01%
2013	2014	\$152,651	5.31	\$810.58	\$24.89	3.17%
2014	2015	\$153,251	5.57	\$853.61	\$43.03	5.31%

General Fund Budget Changes.

- The *Village of Weston's General Fund Budget* will be increasing from \$6,508,680 (2014) to \$6,654,500 (2015), which is an increase of \$145,820 (or a 2.24% increase).
- The largest Expenditure increase in 2015 General Fund Budget is for the Public Works Department (+\$53,819), due to increased price of salt for 2014-2015 and an estimated increase in staffing hours for Winter Maintenance, if needed. This increased amount (**+\$53,819**) represents 37% of General Fund budget increase for 2015.

General Fund Budget Changes.

- The 2 largest Revenue decreases in 2015 General Fund/Debt Service Fund Budgets are the following:
 - Utility Tax from Weston/Rothschild Power Plant will be decreasing by \$140,570 in 2015 budget, due to change in the 30-year annexation agreement whereby Weston's share of the Utility Tax from the State and Rothschild will be decreasing from a 25% to a 10% cost share for the period of 2015-2024. Then, the utility tax payment to Weston will revert to \$0 as of 2025.
 - General Transportation Aids payment from the WDOT will decrease by \$90,995 (10% decrease) in 2015 budget.
 - Decrease in General Transportation Aids since 2013 (last 2 years) = \$192,100 (19% decrease)
 - Decrease in General Transportation Aids since 2012 (last 3 years) = \$304,440 (27% decrease)

Debt Service Fund Changes, Part 1.

- **No** capital borrowing for general obligation debt is planned for 2015 budget year.
- **No** tax levy increase will be necessary in Debt Service Fund for the 2015-2019 budget years. Thereafter, an **estimated tax levy reduction of at least \$500,000** is possible (or **at least a \$0.57 tax rate reduction**) beginning with the 2020 budget year, if no significant general obligation debt issuances occur between the budget years of 2016-2019.
- The Village's total general obligation debt as of 12/31/2014 will be \$12,890,087 (or 25.75% of Village's debt limit).
- Without the issuance of any new general obligation debt in 2015, the Village's total general obligation debt as of 12/31/2015 will drop to \$10,141,971 (or 20.26% of the Village's debt limit).

Debt Service Fund Changes, Part 2.

- The Village's estimated 12/31/2015 debt limit of 20.26% will be LOWEST debt limit that the Village had incurred since the 1997 debt limit of 16.98%, which would then be 18 years ago!
- Other important notes on capital borrowing program:
 - Village has **NOT** borrowed any funds for capital equipment replacement program since 2010.
 - Most recent years that Village HAS borrowed for any general obligation debt for ANY (Non-TIF District) capital improvements projects was in 2013, in the amount of \$815,000 for the Alderson Street and Neupert street replacement projects.
 - The next most recent general obligation debt issuance prior to the 2013 debt issuance had occurred in 2010.

Capital Improvements Program Budget.

- The Village's capital improvements program for the 2015 budget year will be \$1,257,583.
- Capital Equipment Replacement total = \$435,937
- Water/Sewer Utility Capital Projects = \$550,000
- Other Capital Projects total = \$271,646

- **No** funding for the 2015 capital projects will be coming from capital borrowing proceeds.
- \$584,751 – funding from Capital Improvements Fund
- \$554,700 – funding from Water & Sewer Utility Funds
- \$118,132 – funding from Refuse/Recycling Fund

Economic Development Strategy, I.

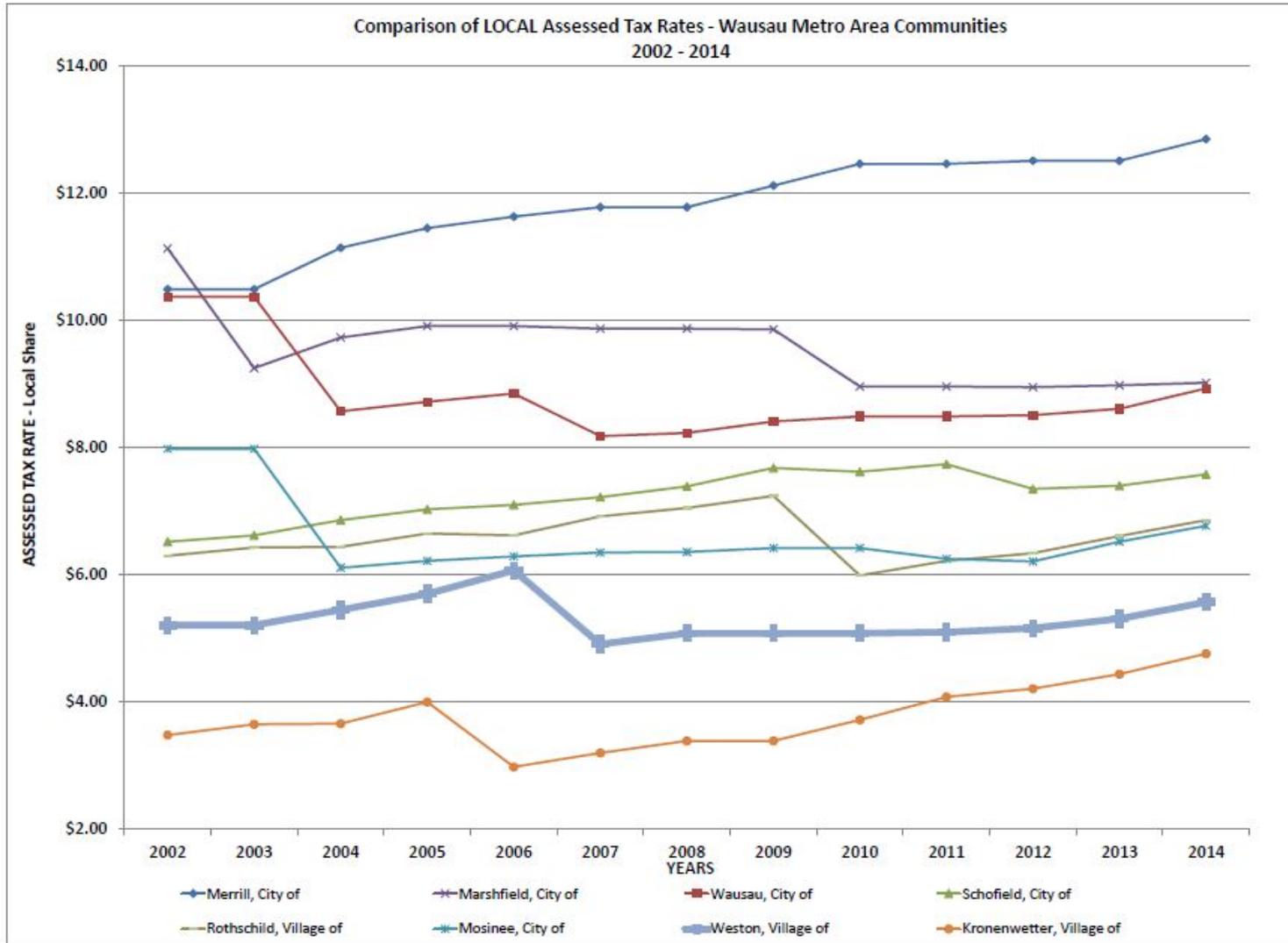
- The Village of Weston is in the real estate business.
- Through a potent combination of low taxes, quality services, and aggressive development recruitment, Village employees add value to our property owners (i.e., investors).
- The Village's philosophy is to maintain the LOWEST property tax rate possible, to be in a marketable and competitive position to attract and retain businesses by offering as LOW a property tax bill as possible, when comparing the Village of Weston property tax rate to other neighboring municipalities.

Economic Development Strategy, II.

COMPARISON OF ASSESSED LOCAL TAX RATES - for the Last 13 Years for the Wausau Metro Area Communities

		ASSESSED TAX RATES - Local Share only												
Municipality	2014 Population	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Merrill, City of	9,615	\$ 10.49	\$ 10.49	\$ 11.14	\$ 11.45	\$ 11.63	\$ 11.78	\$ 11.78	\$ 12.12	\$ 12.46	\$ 12.46	\$ 12.51	\$ 12.51	\$ 12.85
Marshfield, City of	19,144	\$ 11.13	\$ 9.25	\$ 9.73	\$ 9.91	\$ 9.91	\$ 9.87	\$ 9.87	\$ 9.86	\$ 8.96	\$ 8.96	\$ 8.95	\$ 8.98	\$ 9.02
Wausau, City of	39,131	\$ 10.37	\$ 10.37	\$ 8.57	\$ 8.72	\$ 8.85	\$ 8.18	\$ 8.23	\$ 8.41	\$ 8.49	\$ 8.49	\$ 8.51	\$ 8.61	\$ 8.93
Schofield, City of	2,165	\$ 6.52	\$ 6.62	\$ 6.86	\$ 7.03	\$ 7.10	\$ 7.22	\$ 7.39	\$ 7.68	\$ 7.62	\$ 7.74	\$ 7.35	\$ 7.40	\$ 7.58
Rothschild, Village of	5,287	\$ 6.30	\$ 6.43	\$ 6.44	\$ 6.65	\$ 6.62	\$ 6.92	\$ 7.05	\$ 7.24	\$ 5.99	\$ 6.22	\$ 6.34	\$ 6.61	\$ 6.86
Mosinee, City of	4,020	\$ 7.98	\$ 7.98	\$ 6.11	\$ 6.22	\$ 6.29	\$ 6.35	\$ 6.36	\$ 6.42	\$ 6.42	\$ 6.25	\$ 6.21	\$ 6.52	\$ 6.77
Weston, Village of	15,090	\$ 5.21	\$ 5.21	\$ 5.45	\$ 5.70	\$ 6.07	\$ 4.91	\$ 5.08	\$ 5.08	\$ 5.08	\$ 5.10	\$ 5.16	\$ 5.31	\$ 5.57

Economic Development Strategy, III.



Taxes, Fees, & Economic Development I.

- In addition, the Village has a “fee structure” for garbage/recycling services and for stormwater management, which is SEPARATE from the property tax rate, so that the USERS of each of these services are paying for those services based upon the USE of that service and formula used to equitably distribute the costs of those services across all USERS of that service (NOT based upon the valuation of their properties).
- The Village does NOT believe that the property tax rate should be used to “subsidize” the services provided by the Village for just a subset of the Village taxpayers.

Taxes, Fees, & Economic Development I.

- The Village does NOT include the cost of its residential garbage/recycling program across ALL taxpayers of the Village by including this budget item in the property tax rate calculation.
 - Because all commercial and manufacturing properties require a “unique” level of garbage/recycling services, those businesses are responsible to contract for their own service levels that they require. The cost for the residential garbage/recycling program is shared across all residential property owners at the same fee amount, and placed on the property tax bill as a “special charge” on the annual property tax bill.
- Therefore, the Village does NOT include the cost of residential garbage/recycling services and the spring/fall drop-off services in the property tax rate, because otherwise, the commercial and manufacturing properties would be “subsidizing” this program that is only available to residential customers.

Employee Culture & Service Pledge.

- As an employee for the Village of Weston, I will embrace the changing needs and expectations of our citizen-customers, thus continually working to improve the taxpayers' quality of place, by implementing the plans of the Board of Trustees, which will reflect the expectations of Weston residents and the business community.
- As an employee for the Village of Weston, I will deliver valuable, quality public services and facilities, as required by Wisconsin state law, responding to citizen-customers with outstanding service in an efficient, and cost-effective manner.

Questions?

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