

# VILLAGE OF MUKWONAGO

## 2023 ANNUAL BUDGET

Public Hearing Presentation  
November 16, 2022



# 2023 Budget Overview – Tax Levy

- Total Property Tax Levy increased by \$780,205 which is 11.78% over the prior year's levy
  - Of this \$162,520 covers increases in operating expenses and is allocated among the General Fund, Fire, Recycling, and Library Funds
  - \$211,336 is for increases in G.O. Debt Service
  - \$406,349 is for the Fire Referendum that was passed on the November 8<sup>th</sup> ballot for additional Fire Dept Staffing
  - The Village's Total Property Tax Levy (excluding Tax Increments) is \$7,402,393
  
- Factors allowing the Tax Levy increase include:
  - 3.829% net new construction
  - Total Equalized Value increased \$205,472,100 to \$1,243,347,200

# 2023 Budget Overview

## Expenditure Restraint Program

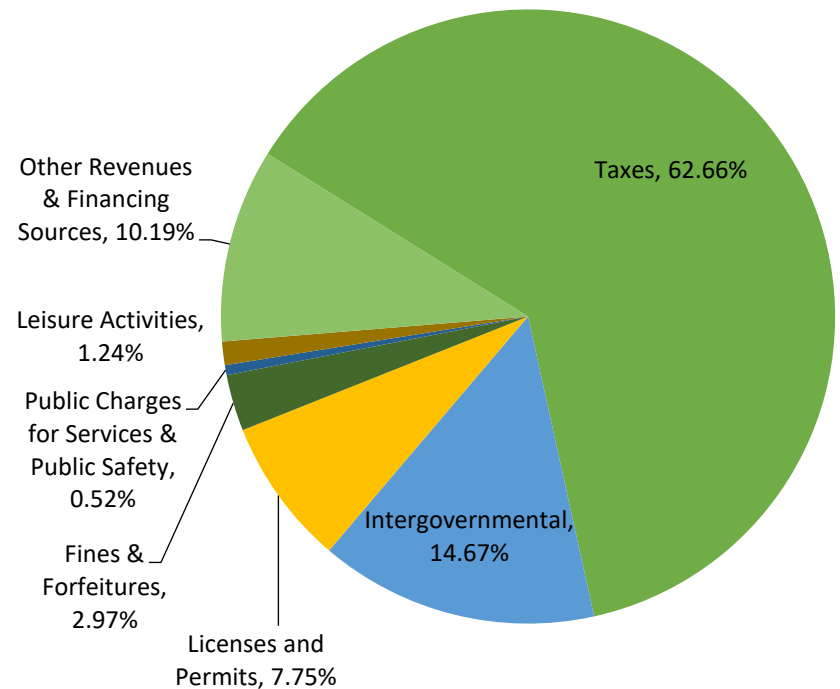
- The State offers an Expenditure Restraint Program which provides aid to municipalities who keep the General Fund Expenditure Budget below a calculated percentage consisting of 60% of the net new construction factor (capped at 2%) plus a CPI factor approved by the DOR.
- Using these parameters, the Village must keep its 2023 General Fund Expenditure Budget increase to under 9.7% in order to qualify for aid for the 2024 budget year. In 2023, the amount of aid expected is \$152,175.
- The proposed 2023 General Fund Expenditure Budget as presented totals \$5,823,208 which is an increase of \$509,227 or 9.58% over the adopted 2022 budget. Please note this is a \$6,229 reduction from what was published in the budget notice to ensure we remain under the 9.7% cap.
- \$294,000 of the \$509,227 increase in the 2023 General Fund budget is a use of General Fund reserves and is being transferred to Capital Funds to offset the cost of one-time purchases or projects

# GENERAL FUND

## 2023 REVENUE HIGHLIGHTS

- Taxes - \$3,648,555 - make up 62.66% of the revenue budget. Taxes are comprised of: Property tax of \$3,208,321; Room tax of \$16,700; and Water Utility tax equivalent of \$423,534
- The remaining 37.34% of non-tax general revenues comes from intergovernmental revenues, fines, fees, interest and commercial revenue.

## 2023 Proposed Revenue Composition

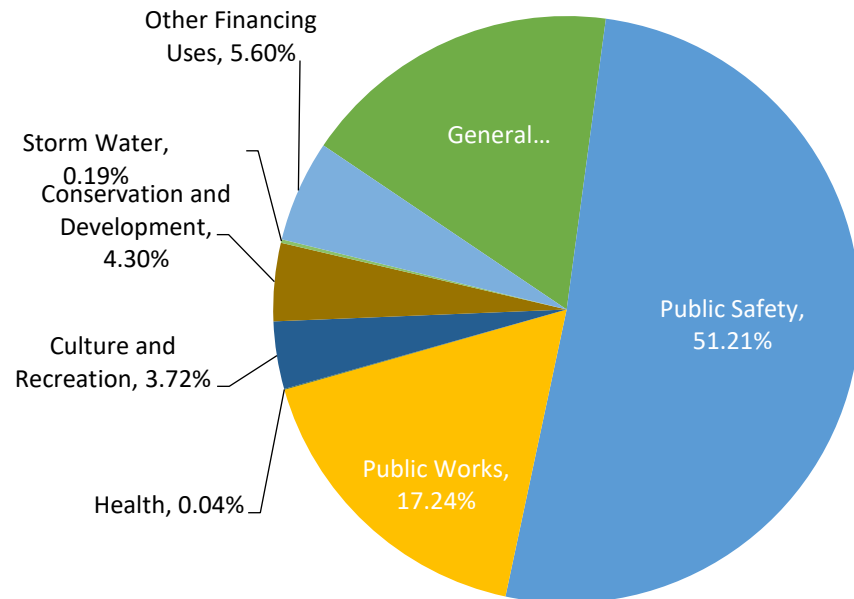


# GENERAL FUND

## 2023 EXPENDITURE HIGHLIGHTS

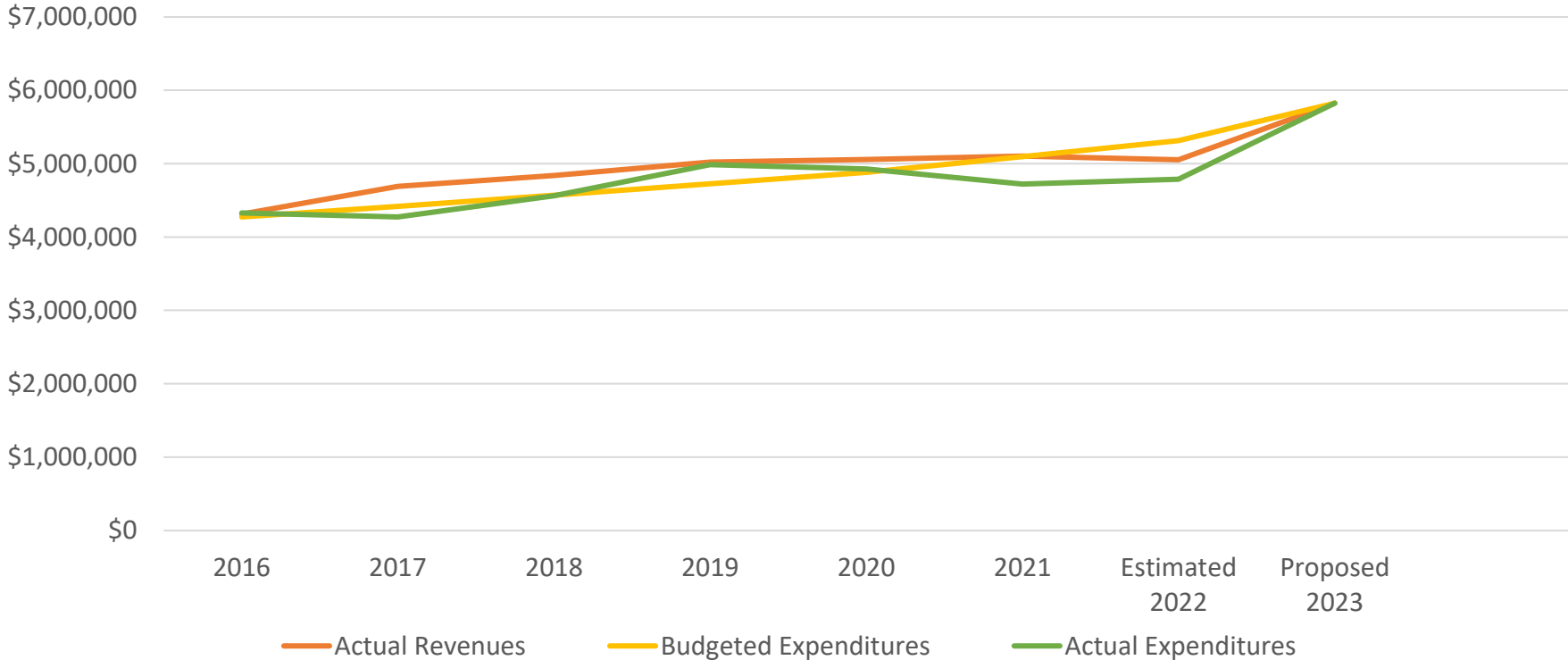
- Total expenditures increased to \$5,823,208 compared to the 2022 budget of \$5,313,981. This represents a 9.58% increase, or \$509,227
- The increase will cover compensation increases granted to employees and increases in health insurance costs
- \$32,000 continues to be budgeted for a reserve to reduce the Village's current unfunded liability balance for sick leave payouts
- General Fund expenditures include Police, Public Works, Administration, Finance, Clerk, and Community & Economic Development departments

## 2023 Proposed Expenditure Composition



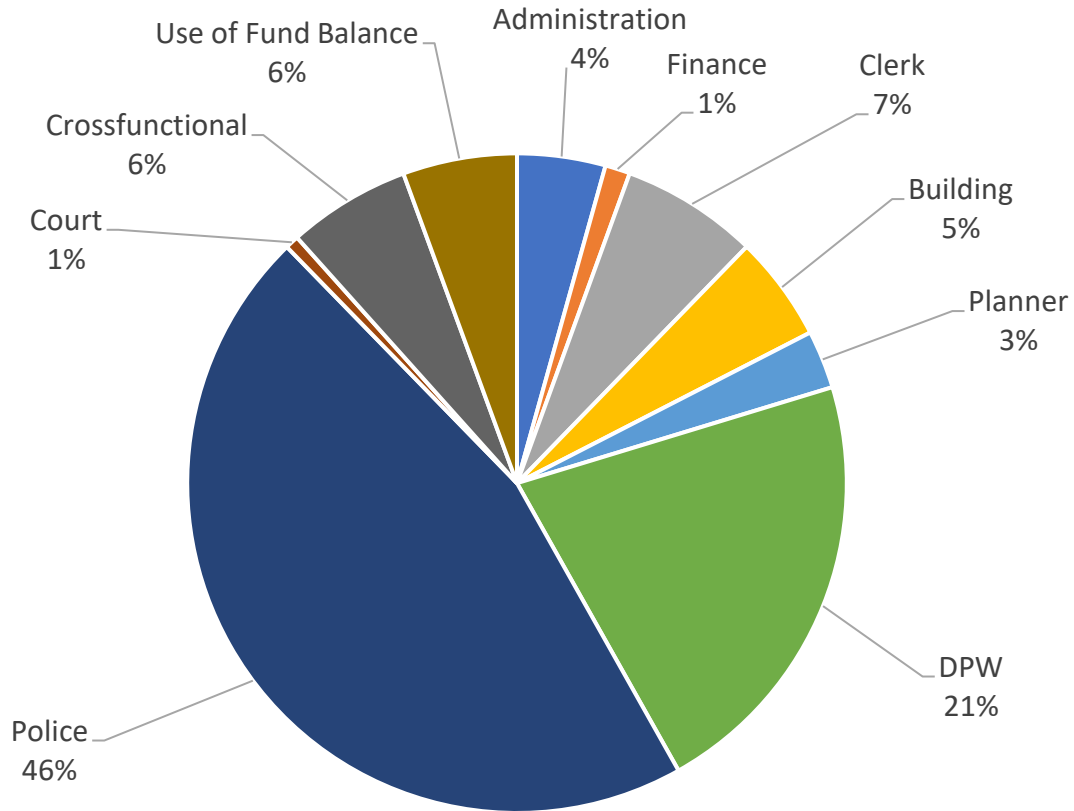
# GENERAL FUND

General Fund Expenditures & Revenues 2016-2023



	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Estimated 2022</u>	<u>Proposed 2023</u>
Actual Revenues	\$4,312,676	\$4,688,537	\$4,837,390	\$5,021,850	\$5,054,626	\$5,102,225	\$5,053,124	\$5,823,208
Budgeted Expenditures	\$4,274,681	\$4,418,352	\$4,568,476	\$4,724,816	\$4,882,487	\$5,095,223	\$5,313,981	\$5,823,208
Actual Expenditures	\$4,329,807	\$4,274,706	\$4,561,901	\$4,988,013	\$4,927,788	\$4,721,012	\$4,788,528	\$5,823,208

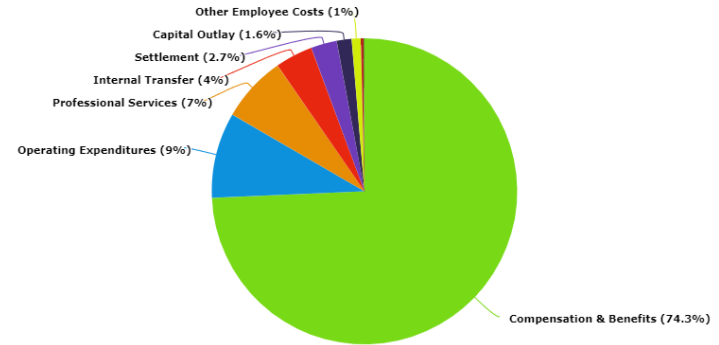
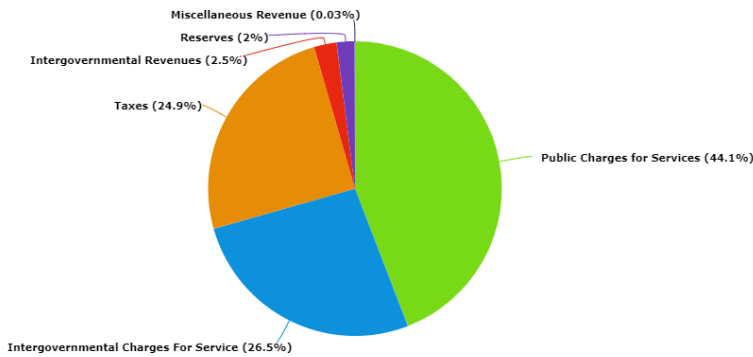
# General Fund Expenditure % By Department



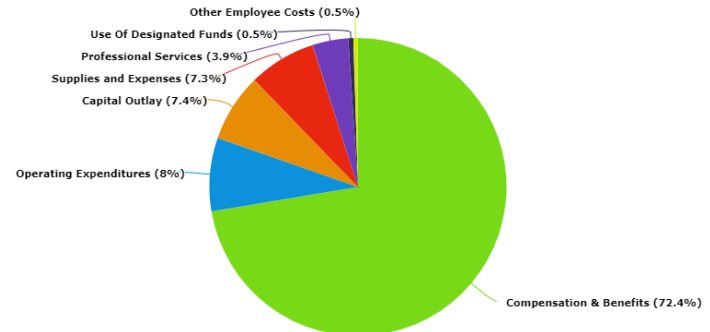
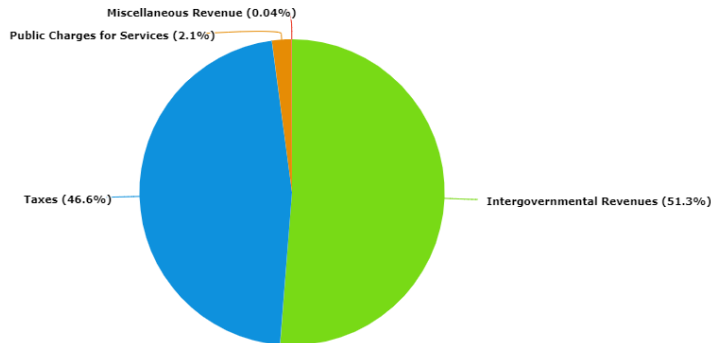
■ Administration ■ Finance ■ Clerk ■ Building ■ Planner ■ DPW ■ Police ■ Court ■ Crossfunctional ■ Use of Fund Balance

# Other Operating Funds

Fire Department Revenues & Expenditures - Total Budget \$2,432,070 – a 56% increase over 2022 due to an approved tax referendum to increase levy for additional full-time staffing.



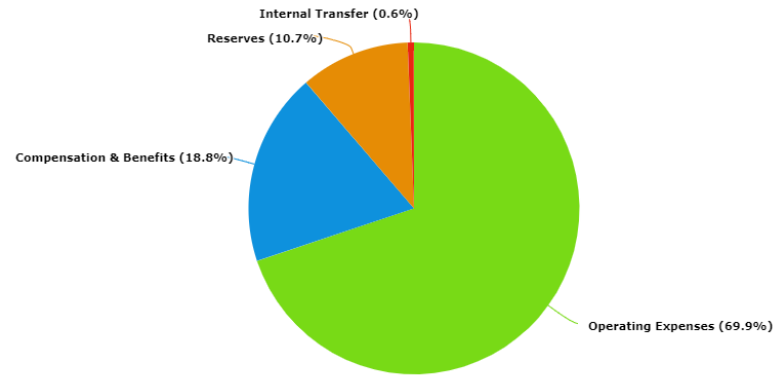
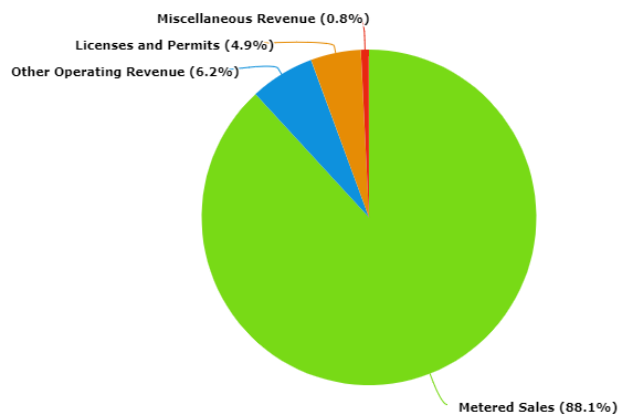
Library Revenues & Expenditures – Total Budget \$1,111,626 - a 4.17% increase over 2022



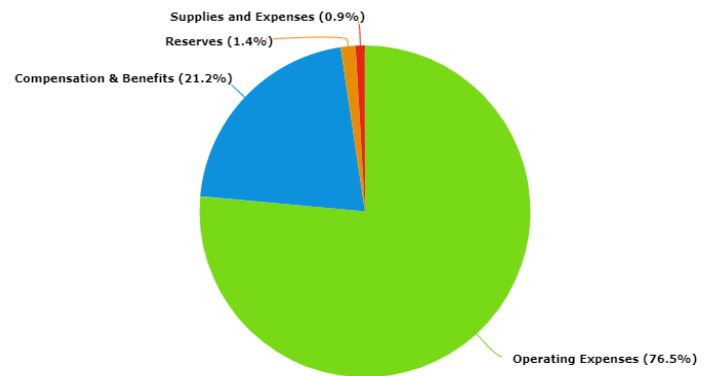
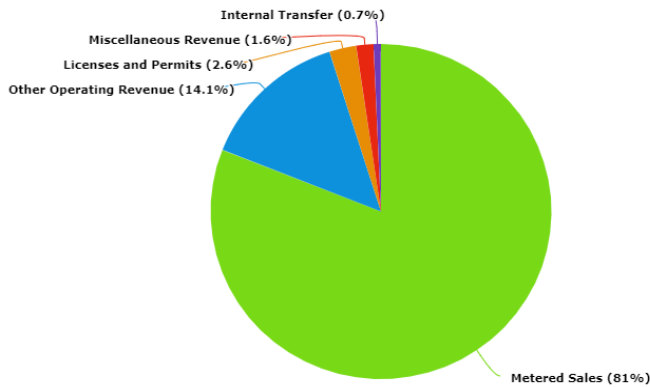


# Other Operating Funds continued

Water Utility Revenues & Expenditures: Total Budget \$2,471,075 - a 1.47% increase over 2022



Sewer Utility Revenues & Expenditures: Total Budget \$2,193,780 - a 1.78% increase over 2022



# Summary of all 2023 Fund Budgets

	Fund	2022	2023			
		Adopted	Proposed			
		Budget	Budget	% Change	\$ Change	Comment
100	General Fund	5,313,981	5,823,208	9.58%	509,227	Operational increases (\$215,227) & Transfer to Capital (\$294,000)
150	Fire Dept	1,556,438	2,432,070	56.26%	875,632	Referendum funding for 6 additional full-time staff
200	Community Development	3,153,500	595,752	-81.11%	(2,557,748)	Completion of Deback Drive project on hold
210	Wisconsin Development	131,312	131,812	0.38%	500	
300	Debt Service	2,722,236	3,182,701	16.91%	460,465	Debt repayment schedule increase
320	Fire Designated	140,130	700	-99.50%	(139,430)	Use of reserves in 2021 for purchase of ambulance
340	Village Designated	125,000	125,000	0.00%	-	
350	American Rescue Plan Act	421,857	3,000	-99.29%	(418,857)	2021 funding was 2nd of 2 payments grants received
410	Recycling	600,685	623,338	3.77%	22,653	increase in recycling expense
430	Capital Equipment	648,500	629,601	-2.91%	(18,899)	Items and costs fluctuate from year-to-year
440	Library	1,067,089	1,111,626	4.17%	44,537	Operating increase
480	Capital Improvement	2,955,293	1,766,618	-40.22%	(1,188,675)	Projects and costs fluctuate from year-to-year
600	Impact Fees	150,000	250,000	66.67%	100,000	Use of reserves to offset debt service
810	Parkland Site Fees	2,125	2,125	0.00%	-	
500	Storm Water Utility	33,035	34,909	5.67%	1,874	
610	Water Utility	2,435,349	2,471,075	1.47%	35,726	Operating increase
620	Sewer Utility	2,155,499	2,193,780	1.78%	38,281	Operating increase
220	TID #3	1,037,115	1,036,958	*	(157)	
240	TID #4	280,457	278,303	*	(2,154)	
250	TID #5	7,089,320	5,574,098	*	(1,515,222)	Refunding of Debt in 2022; carryover of 2022 HWY 83 project
*TID Budgets are subject to final tax increment calculation. These will be presented at the December 21st Village Board Meeting for adoption						

# CAPITAL EQUIPMENT FUND

## 2023 EQUIPMENT PURCHASES & FUNDING

### EXPENDITURES

#### CLERK

Village Board Room Upgrades \$50,000

#### POLICE

Squads and Equipment \$65,000

PD paint and flooring phase 2 \$35,000

#### DPW

Patrol Truck Plow/Wing/V-Box \$295,001

Hook loader dumpster \$7,500

Picnic Tables, Park Benches - NEW \$18,100

#### FIRE DEPT

Carry over from 2022 - Paramedic

Intercept 3488 Replacement \$60,000

Replacement of Car 1 \$65,000

LUCAS 3 \$20,000

Audit and Debt Issuance Costs \$14,000

**TOTAL BUDGETED** \$629,601

### FUNDING:

Debt Proceeds: \$408,000

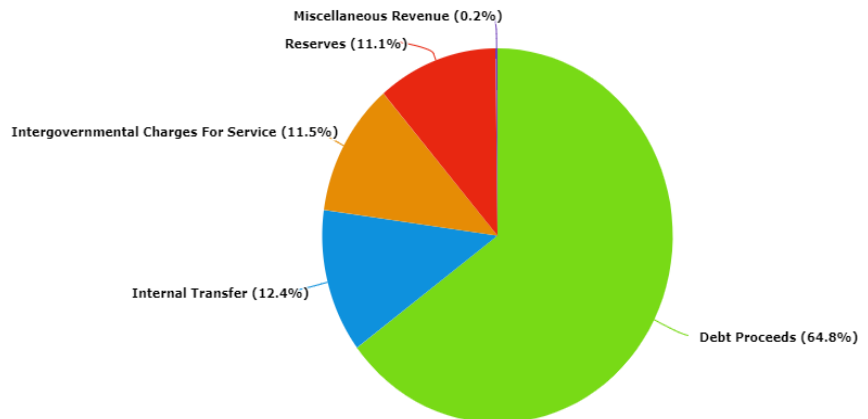
General Fund Transfer: 78,100

Town Funding of Fire: 72,500

Use of Capital Reserves 70,001

Interest Revenue 1,000

**TOTAL** \$629,601



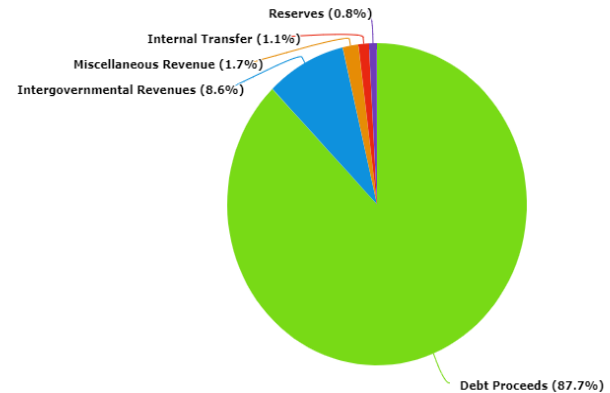
# CAPITAL IMPROVEMENT FUND 2023 PROJECTS & FUNDING

## EXPENDITURES

Signage - Gateway & Way Finding	\$150,000
Hinged or break-away windows in Village Hall	\$15,000
Station 1 LED conversion	\$60,000
Village Hall fire suppression rehabilitation	\$50,000
Village hall Zone System Replacement	\$24,000
Road Maintenance Program	\$200,000
Sidewalk Replacement - NEW	\$20,000
Miniwaukan 4-Plex Rest Rooms	\$350,000
Pave parking lots and path to fourplex in Miniwaukan	\$240,237
Indian Head Park Sign and Message Center	\$75,000
Miniwauken Park Top Coat to Walking Trail	\$22,000
Purchase additional lands for future DPW expansion.	\$500,000
Audit & Debt Issuance Costs	\$60,381
<b>TOTAL BUDGETED</b>	<b>\$1,766,618</b>

## FUNDING

Debt Proceeds	\$1,549,443
State Aid	152,175
Interest	30,000
General Fund Transfer	20,000
<u>Reserves</u>	<u>15,000</u>
	<b>\$1,766,618</b>



# COMMUNITY DEVELOPMENT PROJECT FUND

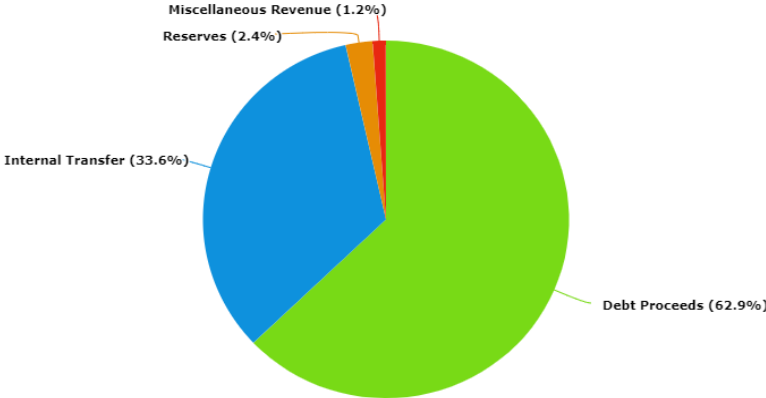
## 2023 Projects & Funding

**EXPENDITURES:**

\$	567,306	Dewey Drive Extension
	17,100	Zoning Code Rewrite Completion
	4,000	Professional Services
	<u>7,346</u>	Debt Issuance costs
\$	595,752	

**FUNDING:**

\$	378,752	Debt or possible Grant
	195,900	General Fund Transfer
	14,100	Fund Reserves
	<u>7,000</u>	Interest Revenue
\$	595,752	



# TAX INCREMENT DISTRICT FUNDS

## 2023 BUDGET HIGHLIGHTS

- TID #3 & #4 2023 budgets primarily center around debt repayment
  - TID Values in Waukesha County increased by \$16,261,400 in 2022
  - Total estimated Increments are \$899,229 and \$364,160 respectively
- TID #5 2023 budget includes debt repayment and continuation of the HWY 83 road project
  - TID Value in Walworth County increased by \$16,052,400 in 2022
  - Total estimated increment is \$808,068

TIF District Budgets will be finalized when Tax Increment worksheet calculations are available from the Department of Revenue and the final tax increment figures are established. Adoption of all 3 TID Budgets will occur at the December Village Board Meeting.

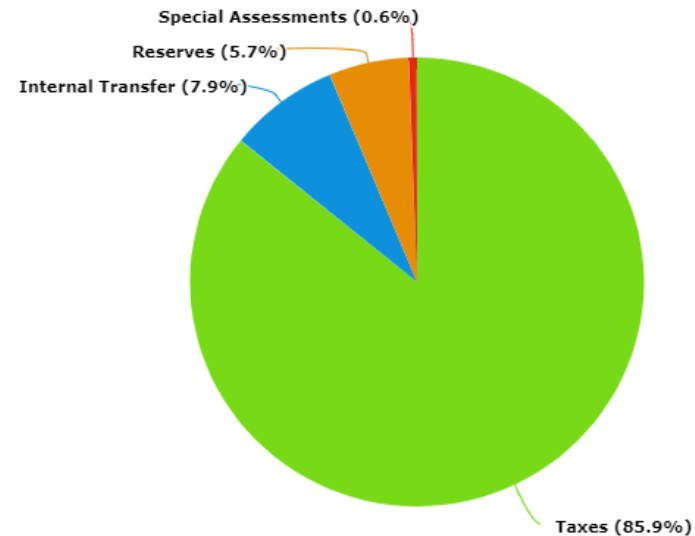
# TID #6

Tax Increment Financing District #6 in Waukesha County was approved on October 24, 2022 and will have a 2023 creation date. A budget will be prepared and presented for adoption at Village Board meeting in 2023 pending final approval of the Developers Agreement and the subsequent commencement of infrastructure work.

# Debt Service Fund

## 2023 Budget Highlights

- Total expenditures of \$3,182,701 for payment of principal and interest due on Village General Obligation debt issued for non-TID capital projects and equipment purchases
- \$2,732,701 is supported by property taxes. This is an increase of \$211,336 (8.38%) over the 2021 levy
- \$18,346 will be supported by special assessments
- \$250,000 will be supported by a transfer from the impact fee fund
- \$181,654 will be funded from the Debt Service Fund reserve

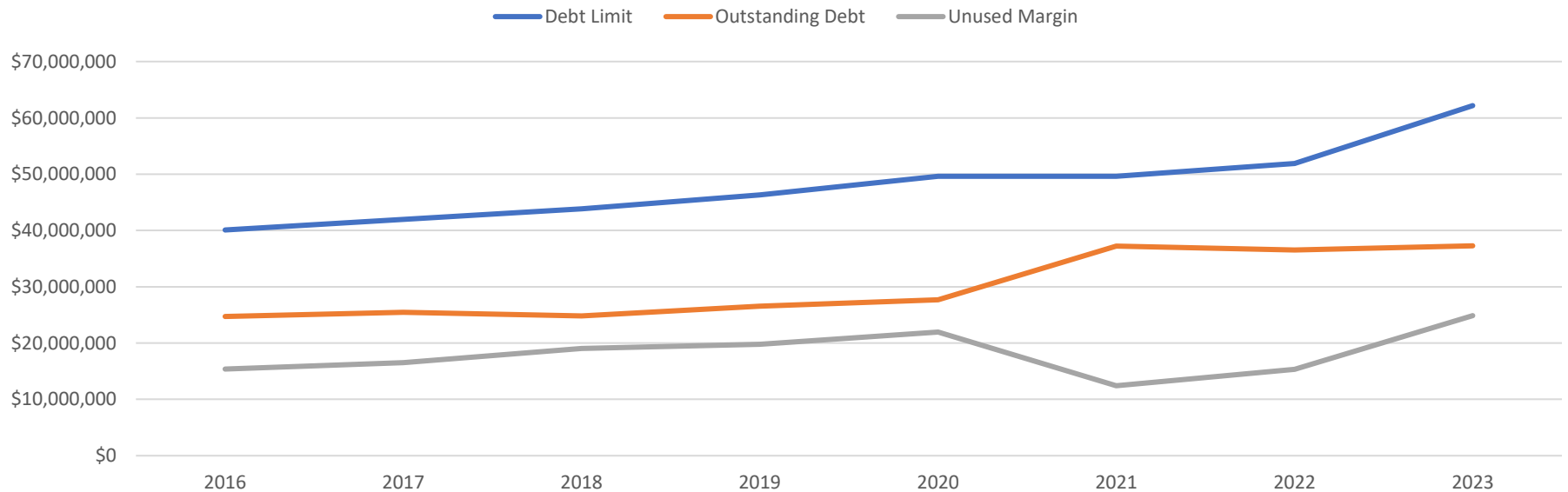




# GENERAL OBLIGATION DEBT

	2017	2018	2019	2020	2021	2022	Projected 2023
<b>Equalized Value</b>	839,258,300	877,402,300	926,137,500	992,994,900	1,037,875,100	1,243,347,200	1,243,347,200
<b>Debt Limit</b>	41,962,915	43,870,115	46,306,875	49,649,745	51,893,755	62,167,360	62,167,360
<b>Outstanding Debt</b>	25,466,678	24,843,732	26,545,298	27,671,864	36,558,430	37,300,000	36,896,195
<b>Unused Margin</b>	16,496,237	19,026,383	19,761,577	21,977,881	15,335,325	24,867,360	25,271,165

## General Obligation Borrowing Capacity



# 2023 ANNUAL VILLAGE BUDGET

## SUMMARY OF CHANGES FROM PUBLISHED BUDGET

### **GENERAL FUND (100):**

Reduction of budget total to ensure expenditure restraint program allowable increase is less than 9.7%, reducing the overall 2023 budget by \$6,229 to \$5,823,208. The % increase of the 2023 proposed budget over 2022 adopted is now 9.58% rather than 9.7%

<u>Revenues</u>	<u>Public Notice</u>	<u>Final Budget</u>	<u>Difference</u>
Other Funding Sources (use of fund balance)	\$ 300,229	\$ 294,000	\$ (6,229)
<u>Expenditures</u>			
Other Financing Uses	332,229	326,000	\$ (6,229)

The difference between the revenues and expenditures shown above is \$32,000 which represents the amount out of the cash funded portion of the budget which is budgeted for sick leave payout reserves.

### **FIRE/AMBULANCE FUND (150):**

Published budget did not include the effect of the Referendums which passed in both the Village & Town of Mukwonago on November 8, 2022. The figures below show the impact of these referendums which increased the total budget as published from \$1,619,372 to \$2,432,070. The referendum amount approved in each municipality was \$406,349.

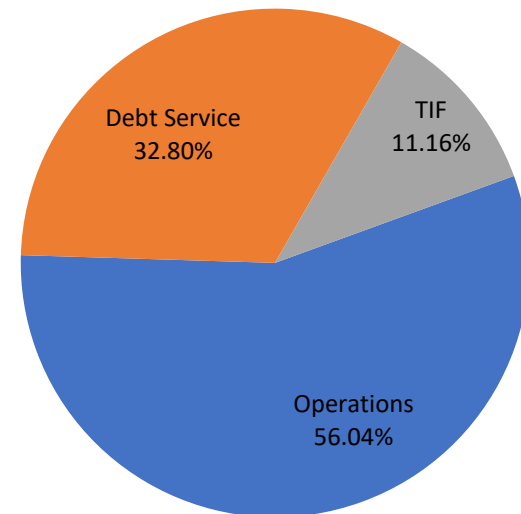
	<u>Public Notice</u>	<u>Final Budget</u>	<u>Difference</u>
<u>Revenues (excluding use of fund balance)</u>	\$ 1,571,199	\$ 2,383,897	\$ 812,698
<u>Expenditures</u>	1,619,372	2,432,070	\$ 812,698

The difference between the revenues and expenditures shown above is the \$48,173 budgeted use of reserves to cover non-referendum expenditures if actual revenues do not cover them.

# A LOOK AT THE LEVIES AND TAXES

- The total property tax levy for all Village purposes is \$8,332,526
  - This includes the Village portion of the estimated increment calculation for all 3 TIDs and the Fire Dept referendum approved by voters on Nov 8, 2022
- Total Tax Base (Assessed Value) for 2022 Taxes payable in 2023 is \$988,105,300 - an increase of \$22,390,300 or 2.32% over 2021
- Total Equalized Value (TID IN) for 2022 is \$1,243,347,200 - an increase of \$205,472,100 or 19.8% over 2021
- For Village properties within Waukesha County, the local tax rate is estimated at \$8.431631 - an increase of \$0.79 per \$1,000 of assessed value or 10.32% over 2021
- For Village properties within Walworth County, the local tax rate is estimated at \$8.449280 - an increase of \$0.83 per \$1,000 of assessed value or 10.95% over 2021
- The following slide shows the impact of both tax rates in Waukesha & Walworth counties on various levels of assessed values

**Composition of 2022 Overall Village Tax Levy & Village Portion of Total Tax Increment**



# Estimated 2022 Village Taxes on Varying Assessed Values

The Village tax represents roughly 35% of the total property tax bill

Waukesha County	2021 Village Taxes	2022 ESTIMATED Village Taxes	\$ Change	% Change
<b>MILL RATE</b>	<b>7.642942</b>	<b>8.431631</b>	<b>0.79</b>	<b>10.32%</b>
<b>Assessed Value:</b>				
150,000	\$1,146.44	\$1,264.74	\$118.30	10.32%
200,000	\$1,528.59	\$1,686.33	\$157.74	10.32%
250,000	\$1,910.74	\$2,107.91	\$197.17	10.32%
300,000	\$2,292.88	\$2,529.49	\$236.61	10.32%
350,000	\$2,675.03	\$2,951.07	\$276.04	10.32%
400,000	\$3,057.18	\$3,372.65	\$315.48	10.32%
450,000	\$3,439.32	\$3,794.23	\$354.91	10.32%
500,000	\$3,821.47	\$4,215.82	\$394.34	10.32%
550,000	\$4,203.62	\$4,637.40	\$433.78	10.32%

Walworth County	2021 Village Taxes	2022 ESTIMATED Village Taxes	\$ Change	% Change
<b>MILL RATE</b>	<b>7.615201</b>	<b>8.449280</b>	<b>0.83</b>	<b>10.95%</b>
<b>Assessed Value:</b>				
150,000	\$1,142.28	\$1,267.39	\$125.11	10.95%
200,000	\$1,523.04	\$1,689.86	\$166.82	10.95%
250,000	\$1,903.80	\$2,112.32	\$208.52	10.95%
300,000	\$2,284.56	\$2,534.78	\$250.22	10.95%
350,000	\$2,665.32	\$2,957.25	\$291.93	10.95%
400,000	\$3,046.08	\$3,379.71	\$333.63	10.95%
450,000	\$3,426.84	\$3,802.18	\$375.34	10.95%
500,000	\$3,807.60	\$4,224.64	\$417.04	10.95%
550,000	\$4,188.36	\$4,647.10	\$458.74	10.95%

# 2023 ANNUAL VILLAGE BUDGET

## SUMMARY

- The 2023 budget reflects a conservative approach to fund operations taking into consideration the impact of the inflationary period we are in.
- The majority of the allowable levy increase is going towards employee compensation and the rising cost of health insurance as well as other operating costs driven by inflation.
- We will continue to monitor the fiscal situation and adjust as necessary as we move into 2023.
- Thank you for your continued support during this past year.

# 2023 ANNUAL VILLAGE BUDGET

Please visit the Village website

<https://www.villageofmukwonago.gov/budget>

to view the Village's 2023 Digital Budget Book which provides additional operational and capital budget detail.