



VILLAGE OF
MUKWONAGO

2024 ANNUAL BUDGET

Public Hearing
Presentation

November 15, 2023

2024 Budget Overview – Tax Levy

- Total Property Tax Levy increased by \$164,320 which is 2.22% over the prior year's levy
 - This entire amount goes towards increases in operating expenses and is allocated among the General Fund, Fire, Recycling, and Library Funds
 - The levy for G.O. Debt Service did not increase over the prior year
 - The Village's Total Property Tax Levy (excluding Tax Increments) is \$7,566,713

- Factors allowing the Tax Levy increase include:
 - Total Equalized Value increased \$193,593,600 to \$1,436,940,800
 - 3.465% net new construction
 - Recovery of a prior year rescinded tax

2024 Budget Overview

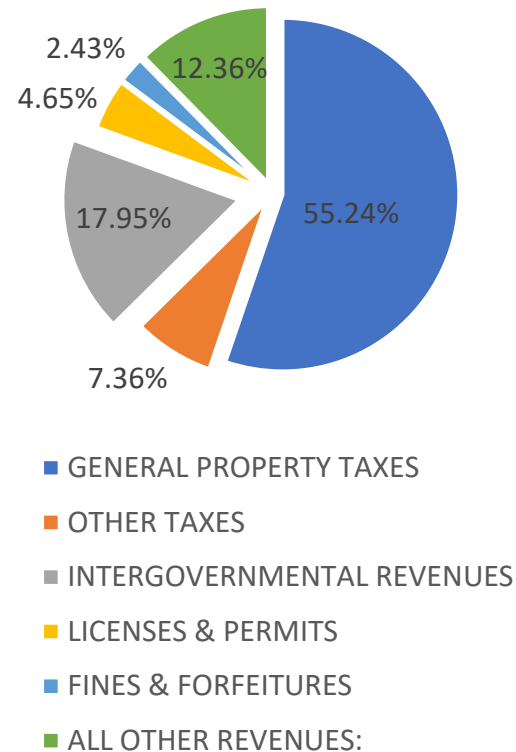
Expenditure Restraint Program

- The State offers an Expenditure Restraint Incentive Program (ERIP) 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 2024 General Fund Expenditure Budget increase to under 7.4% to qualify for aid for in the 2025 budget. In 2024, the amount of aid expected is \$154,136.
- The proposed 2024 General Fund Expenditure Budget as presented totals \$5,960,133 which is an increase of \$391,925 or 7.04% over the adopted, then amended for calc error, 2023 budget.
- \$256,000 of the \$391,925 increase in the 2024 General Fund budget is a use of General Fund reserves:
 - \$159,000 will fund the village-wide assessment revaluation
 - 65,000 will fund various administrative studies
 - 32,000 will fund the sick leave reserve balance

GENERAL FUND

2024 Revenue Components

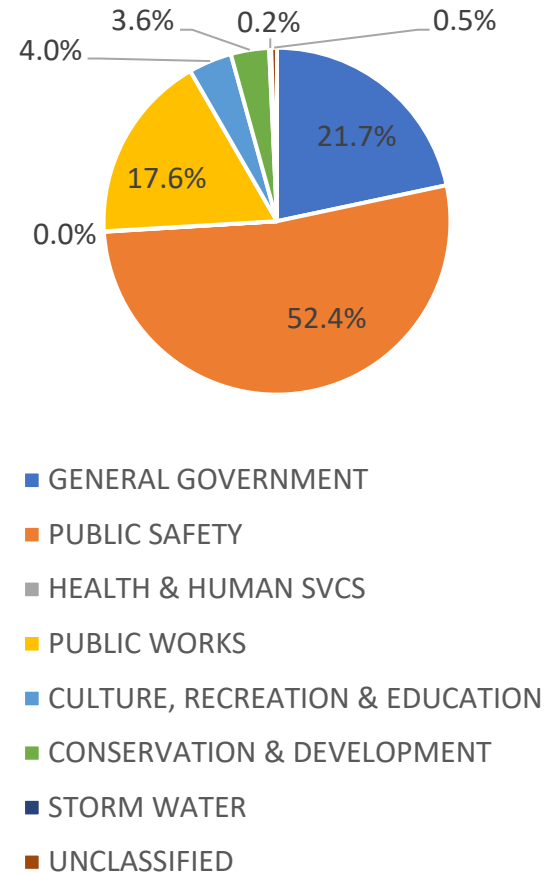
- Taxes - \$3,731,074 - make up 62.6% of the revenue budget:
 - Property tax of \$3,292,240 (55.24%);
 - “Other taxes” include Room tax of \$15,000; and Water Utility tax equivalent of \$423,834 (7.36%)
- Intergov’t revenues total \$1,069,963 (17.95%) and include transportation aids and shared revenues.
 - In 2024, the Village will begin receiving an additional \$215,668 in supplemental aid as a result of Act 12 legislation
- The remaining \$1,159,096 (19.45%) comes from fines, permits, interest, commercial revenues and use of fund balance reserves



GENERAL FUND

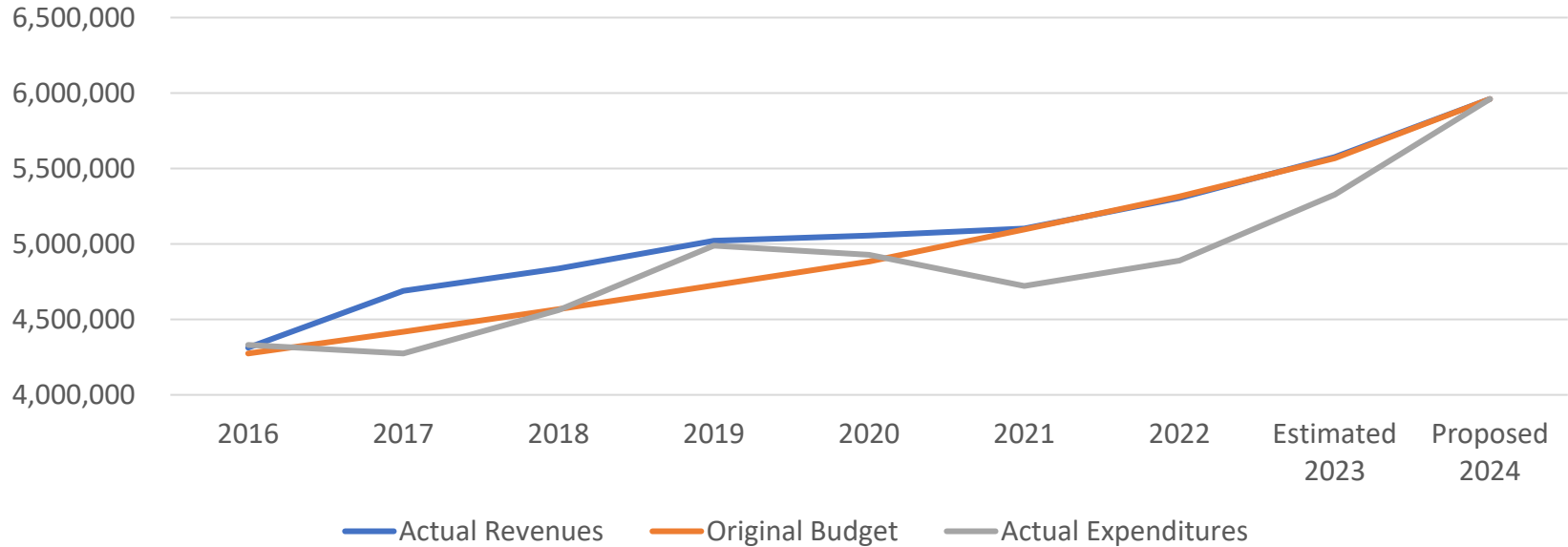
2024 EXPENDITURE COMPONENTS

- Total expenditures increased to \$5,960,133 compared to the 2023 budget of \$5,568,208. This represents a 7.04% increase, or \$391,925
- 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
- \$224,000 of one-time expenditures including the Village-wide property revaluation
 - The amounts that make up this total are included in the department budgets
- General Fund expenditures include the department budgets for Police, Public Works, Administration, Finance, Clerk, and Community & Economic Development



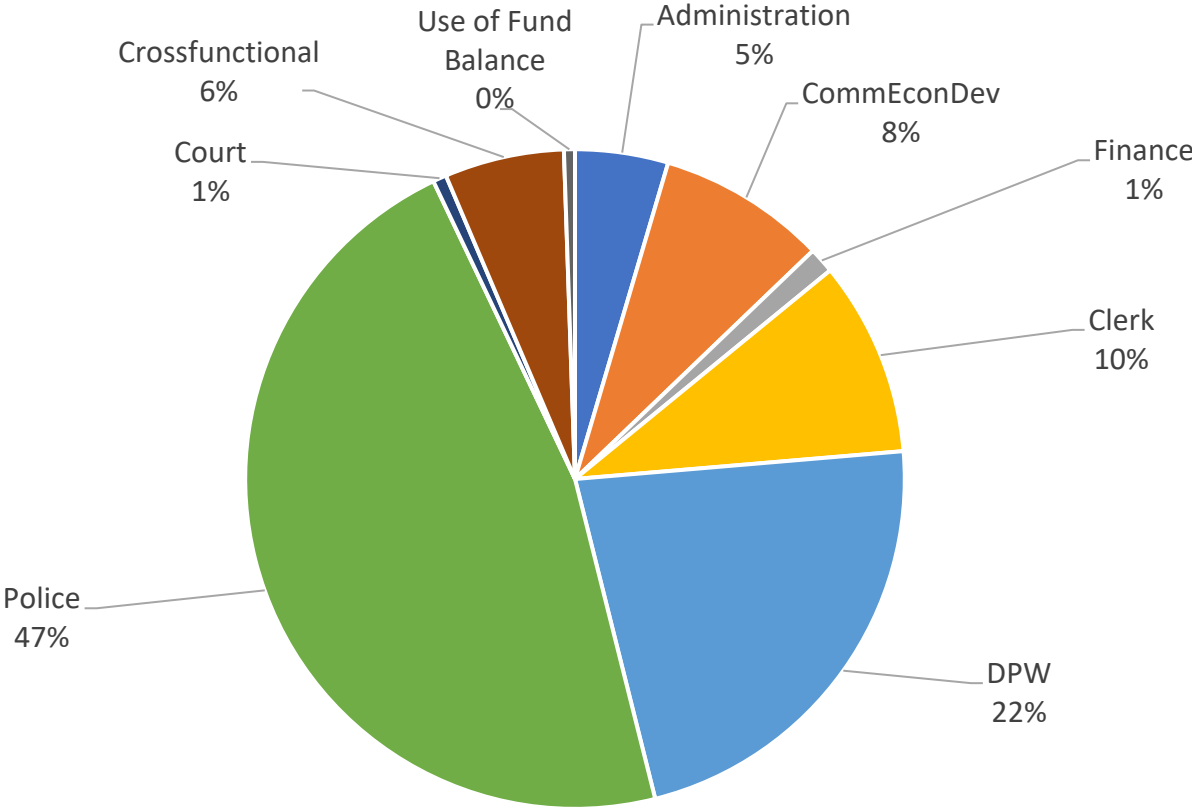
GENERAL FUND BUDGET-TO-ACTUAL TREND

Revenues and Expenditures 2016-2024



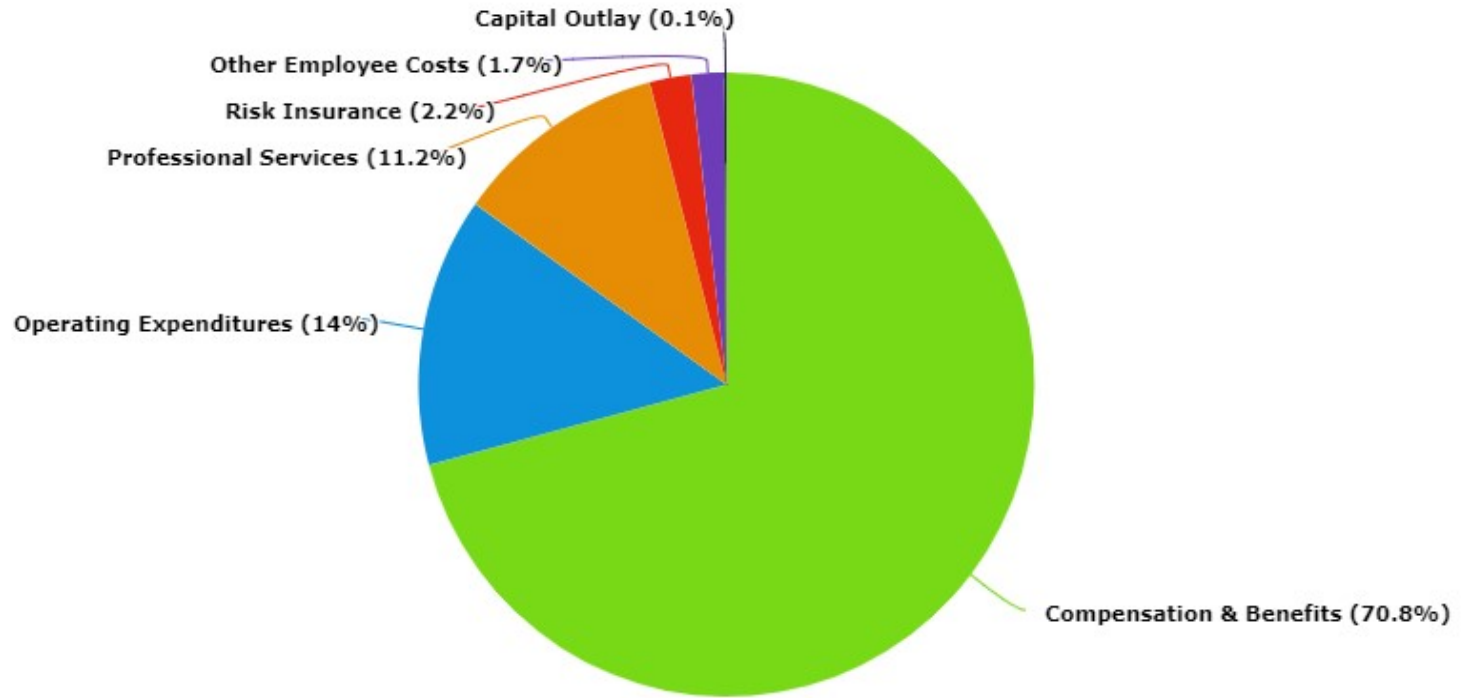
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Estimated 2023</u>	<u>Proposed 2024</u>
Actual Revenues	\$4,312,676	\$4,688,537	\$4,837,390	\$5,021,850	\$5,054,626	\$5,102,225	\$5,303,797	\$5,576,497	\$5,960,133
Original Budget	\$4,274,681	\$4,418,352	\$4,568,476	\$4,724,816	\$4,882,487	\$5,095,223	\$5,313,981	\$5,568,208	\$5,960,133
Actual Expenditures	\$4,329,807	\$4,274,706	\$4,561,901	\$4,988,013	\$4,927,788	\$4,721,012	\$4,889,304	\$5,326,956	\$5,960,133

General Fund Expenditure % By Department



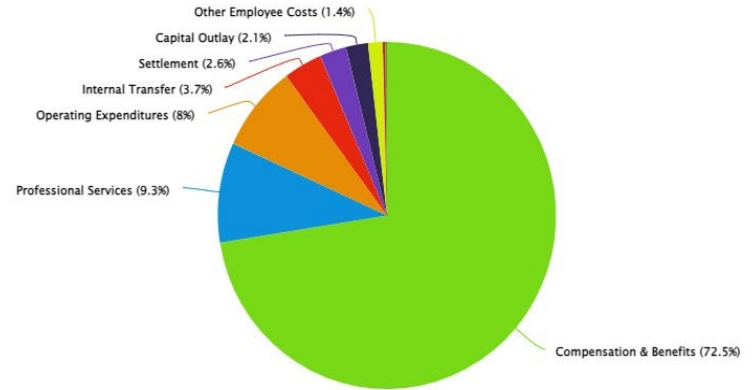
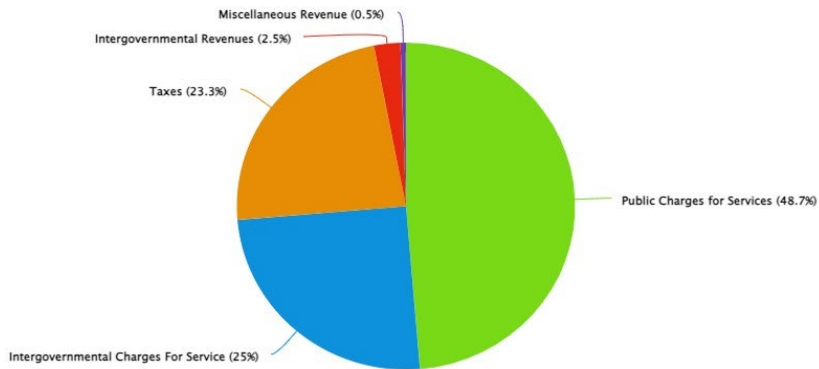
■ Administration ■ CommEconDev ■ Finance ■ Clerk ■ DPW ■ Police ■ Court ■ Crossfunctional ■ Use of Fund Balance

General Fund Expenditures by Expense Type

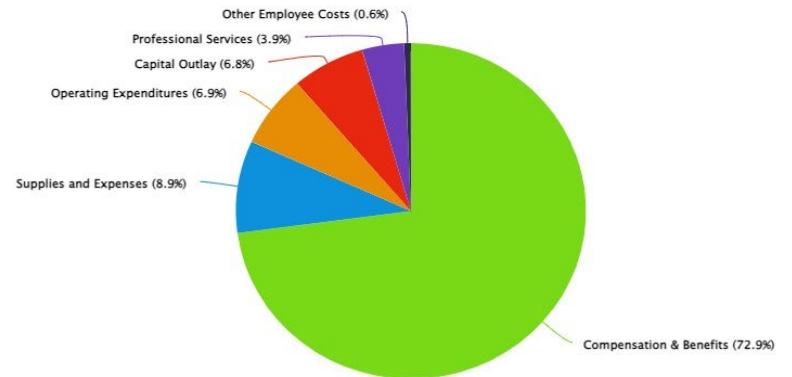
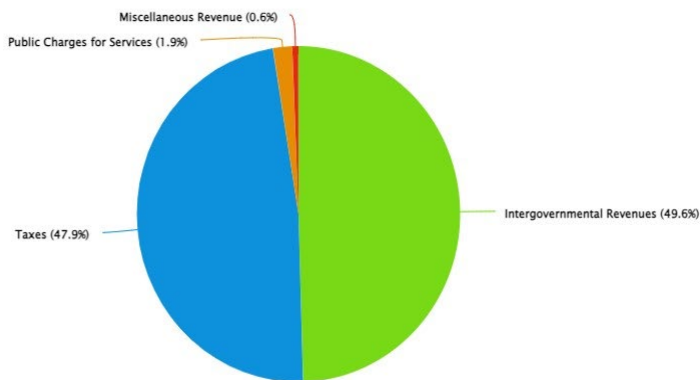


Other Operating Funds

Fire Department Revenues & Expenditures - Total Budget \$2,616,076 – a 7.57% increase over 2023

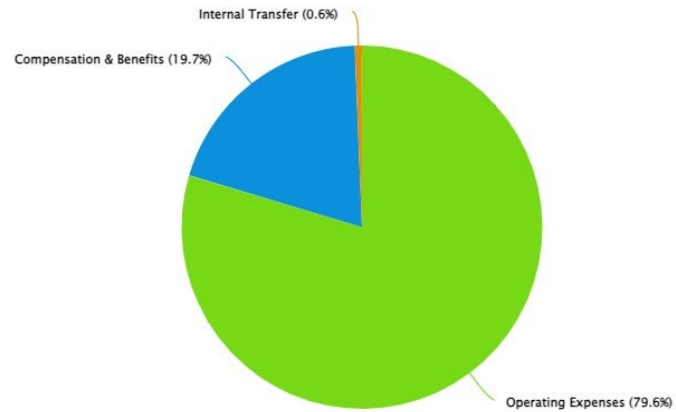
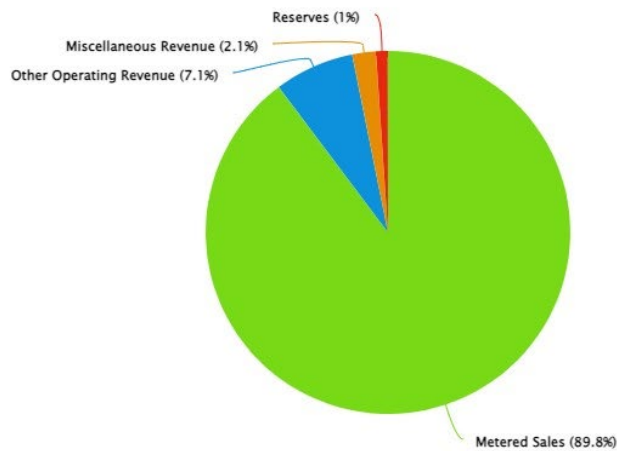


Library Revenues & Expenditures – Total Budget \$1,197,933 - a 7.76% increase over 2023

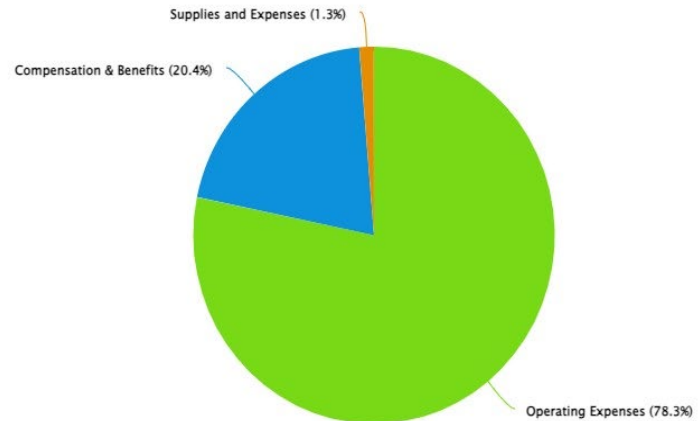
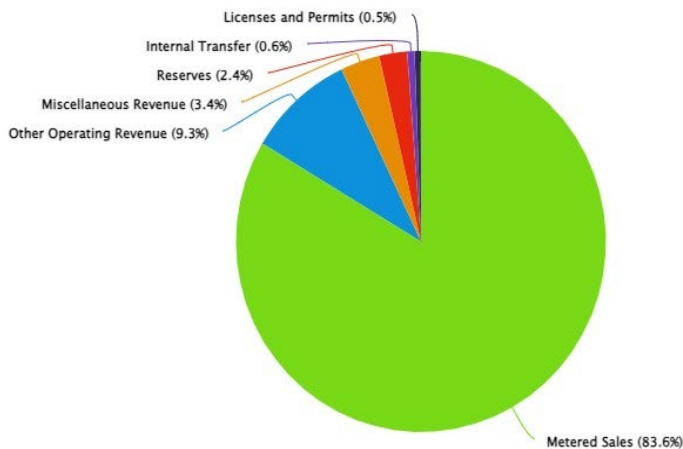


Other Operating Funds (continued)

Water Utility Revenues & Expenditures: Total Budget \$2,389,956 - a 3.28% decrease over 2023



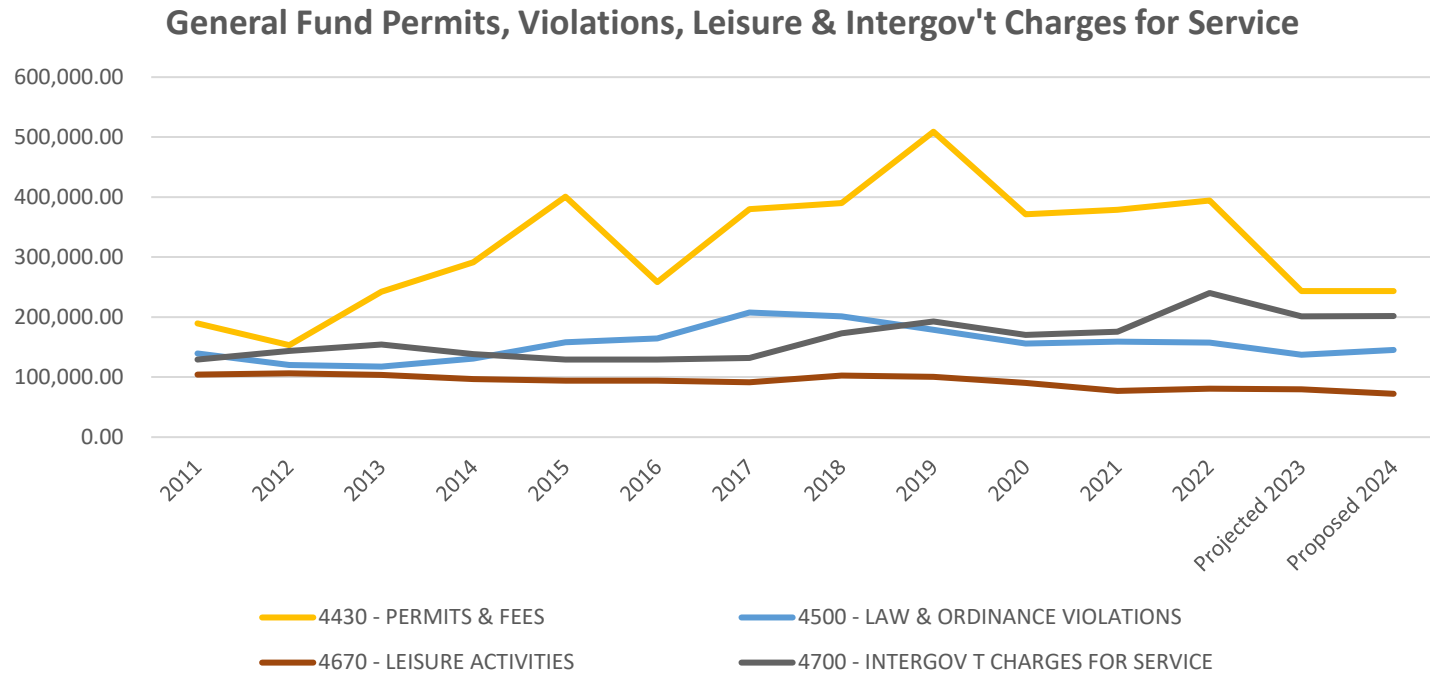
Sewer Utility Revenues & Expenditures: Total Budget \$2,308,182 - a 3.64% increase over 2023



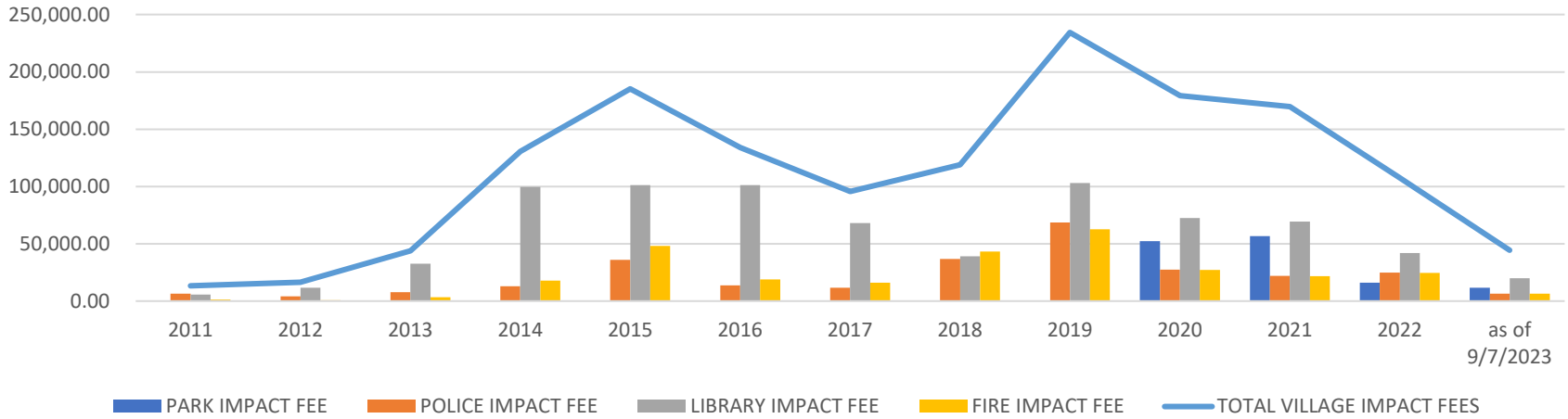
Budget Challenges

Revenues

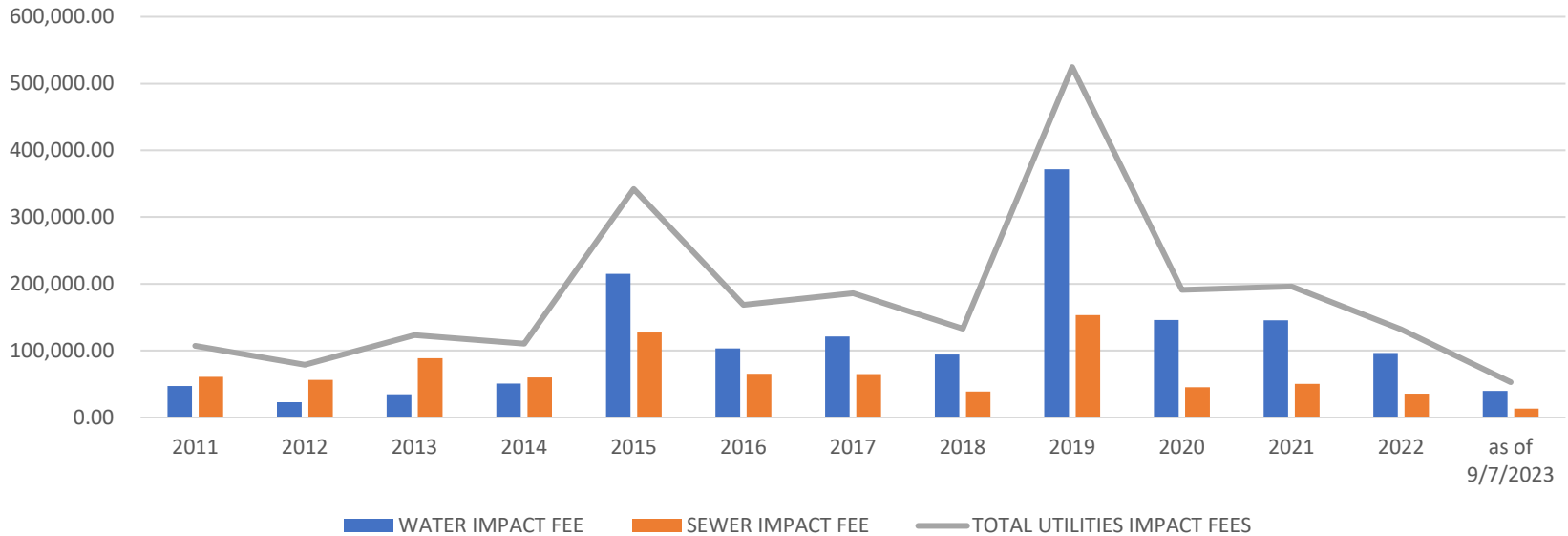
- Permit revenues related to new development are down considerably



Village Impact Fee Trend

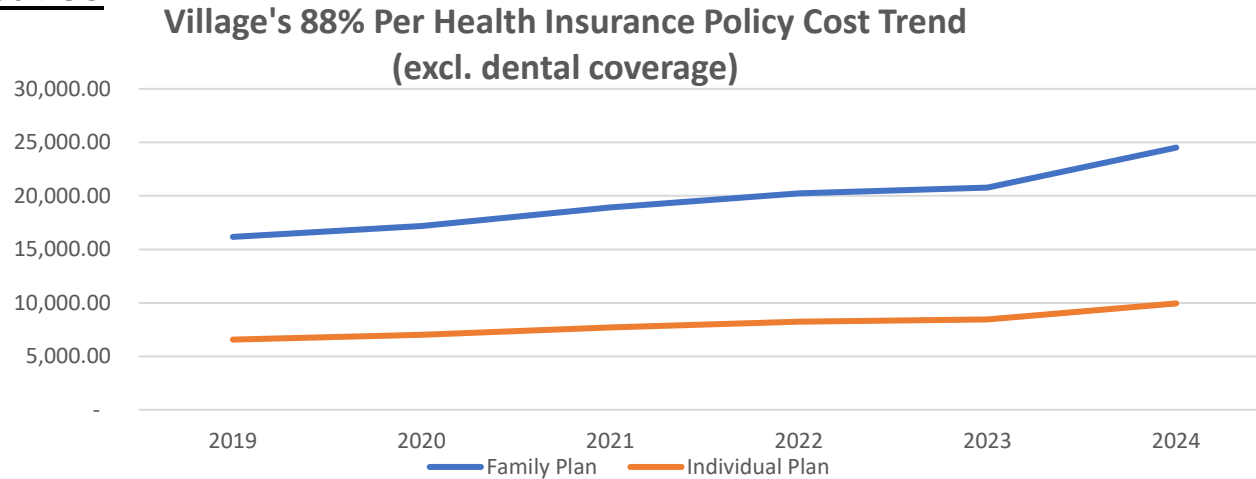


Utilities Impact Fee Trend



Budget Challenges (continued)

Expenditures



	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Family Plan	16,169.90	17,181.96	18,913.59	20,246.48	20,779.55	24,512.08
Individual Plan	6,586.27	7,014.37	7,721.68	8,247.78	8,450.96	9,962.30
Family Plan \$ Change		1,012.06	1,731.63	1,332.89	533.07	3,732.53
% Change		6.26%	10.08%	7.05%	2.63%	17.96%
Individual Plan \$ Change		428.10	707.31	526.10	203.18	1,511.34
% Change		6.50%	10.08%	6.81%	2.46%	17.88%

Village-wide health insurance cost increased \$174,863 over last year

Summary of all 2024 Fund Budgets

	Fund	2023	2024				
		Adopted	Proposed				
		Budget	Budget		% Change	\$ Change	Comment
100	General Fund*	5,568,208	5,960,133	*	7.04%	391,925	Operational increases and village-wide revaluation project
150	Fire Dept	2,432,070	2,616,076		7.57%	184,006	Operational increases
200	Community Development	595,752	2,988,116		401.57%	2,392,364	Potential completion of Deback Drive project
210	Wisconsin Development	131,812	117,372		-10.95%	(14,440)	
300	Debt Service	3,182,701	3,176,693		-0.19%	(6,008)	
320	Fire Designated	700	162,700		23142.86%	162,000	Use of reserves in 2024 for LifePak Cardiac Monitors & Rescue Boat
340	Village Designated	125,000	712,306		469.84%	587,306	Use of reserves in 2024 for potential road extension
350	American Rescue Plan Act	3,000	422,376		13979.20%	419,376	Use of grant funds for fiber project
410	Recycling	623,338	648,276		4.00%	24,938	increase in garbage expense
430	Capital Equipment	629,601	859,000		36.44%	229,399	Items and costs fluctuate from year-to-year
440	Library	1,111,626	1,197,959		7.77%	86,333	Operating increase
480	Capital Improvement	1,766,618	2,025,262		14.64%	258,644	Projects and costs fluctuate from year-to-year
600	Impact Fees	250,000	101,000		-59.60%	(149,000)	Reduction in reserves to transfer out to debt service
810	Parkland Site Fees	2,125	7,500		252.94%	5,375	
500	Storm Water Utility	34,909	36,992		5.97%	2,083	
610	Water Utility	2,471,075	2,389,956		-3.28%	(81,119)	Operating fluctuation between utilities & projects
620	Sewer Utility	2,227,220	2,308,182		3.64%	80,962	Operating increase
220	TID #3	1,036,958	1,178,253	**	13.63%	141,295	Fluctuation in debt repayment amount
240	TID #4	278,303	373,495	**	34.20%	95,192	Fluctuation in debt repayment amount
250	TID #5	5,574,098	2,538,604	**	-54.46%	(3,035,494)	Hwy 83 project substantially completed in 2023
<p>*The originally adopted 2023 General Fund budget was amended when a calculation error was discovered that would have resulted in the Village forfeiting the expenditure restraint aid it would receive in 2024. DOR allowed us to amend the budget to qualify for the aid. The 2023 Adopted budget shown above is the amended amount. Resolution 2023-15, which was adopted 4-19-23, reduced the original budget amount by \$255,000</p>							
<p>**TID Budgets are subject to final tax increment calculation. These will be presented at the December 20th Village Board Meeting for adoption</p>							

CAPITAL EQUIPMENT FUND

2024 Equipment Purchases & Funding

EXPENDITURES

Police

Squads & Equipment	\$68,000
Dispatch Workstations	\$100,000

DPW

Patrol Truck/Plow/Wing	\$295,000
Pick-up Truck	\$45,000
Picnic Tables/Benches	\$20,000

Fire Dept

LifePak Cardiac Monitors	\$264,000
Rescue Boat	\$60,000

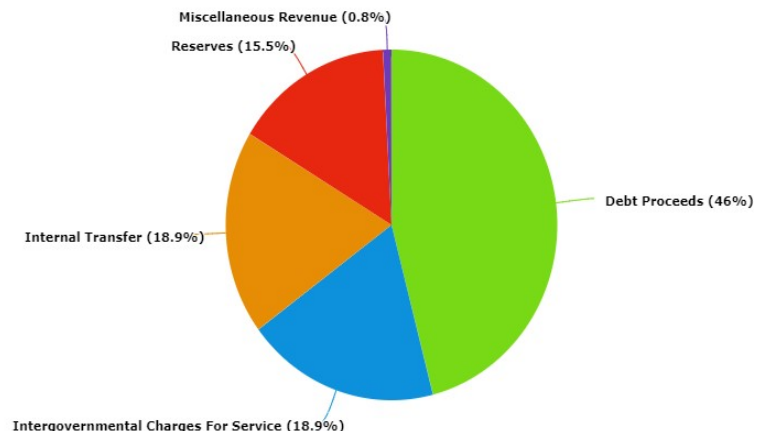
Audit & Debt Issuance	\$7,000
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TOTAL BUDGETED	\$859,000
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FUNDING

Debt Proceeds	\$395,000
Transfer from Fund 320	\$162,000
Town Funding of Fire	\$162,000
Use of Capital Reserves	\$133,000
Interest Revenue	\$7,000

TOTAL	\$859,000
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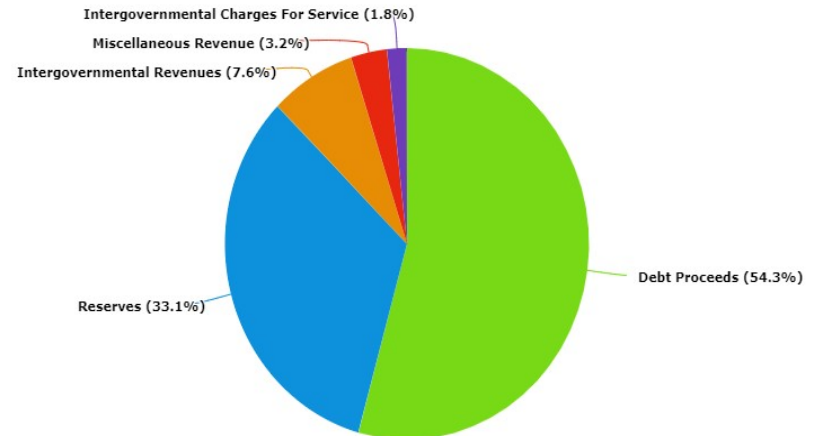
CAPITAL IMPROVEMENT FUND 2024 PROJECTS & FUNDING

EXPENDITURES

Signage – Gateway & WayfindingT	\$83,967
Village Hall Roof Replacement	\$235,300
Road Maintenance Program	\$200,000
Holz Parkway Street Lighting	\$175,000
Trail Lights for Indian Head Park Stage	\$90,000
Replace South Gate on Dam	\$71,000
Sidewalk Replacement	\$20,000
DPW Facilities Expansion Needs Assessment	\$25,000
Community Room Zone System Replacement	\$17,000
Museum Flooring	\$8,535
Audit & Debt Issuance Costs	\$22,926
TOTAL BUDGETED	\$2,025,262

FUNDING

Debt Proceeds	\$1,100,000
State Aid	\$15,136
Interest	\$65,091
Town Share of Dam Gate	\$35,500
Reserves	\$670,535
Total	\$2,025,262



Community Development Project Fund

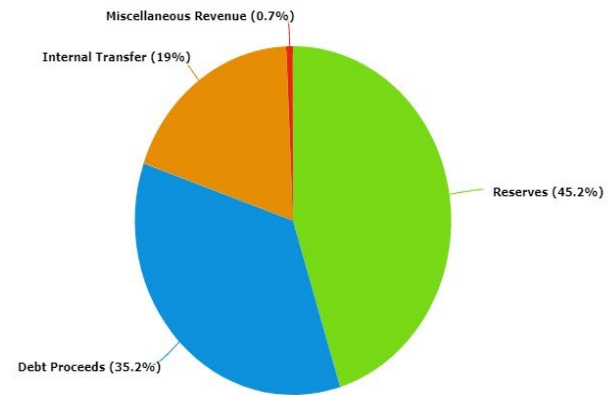
2024 Projects & Funding

EXPENDITURES

Deback Drive Completion	\$2,364,259
Dewey Drive Extension	\$567,306
Zoning Code Rewrite Completion	\$13,000
Professional Services	\$20,000
Debt Issuance Costs	\$23,551
TOTAL BUDGETED	\$2,988,116

FUNDING:

Debt Proceeds	\$1,050,811
Transfer from Other Funds	\$567,305
Fund Reserves	\$1,350,000
Interest	\$20,000
TOTAL	\$2,988,116



TAX INCREMENT DISTRICT FUNDS

2024 BUDGET HIGHLIGHTS

- TID #3 & #4 2024 budgets primarily center around debt repayment
 - TID Values in Waukesha County increased by \$7,872,300 in 2023
 - Total estimated Increments are \$902,995 and \$365,685 respectively
- TID #5 2024 budget includes debt repayment and completion of road projects
 - TID Value in Walworth County increased by \$14,815,300 in 2023
 - Total estimated increment is \$995,072

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.

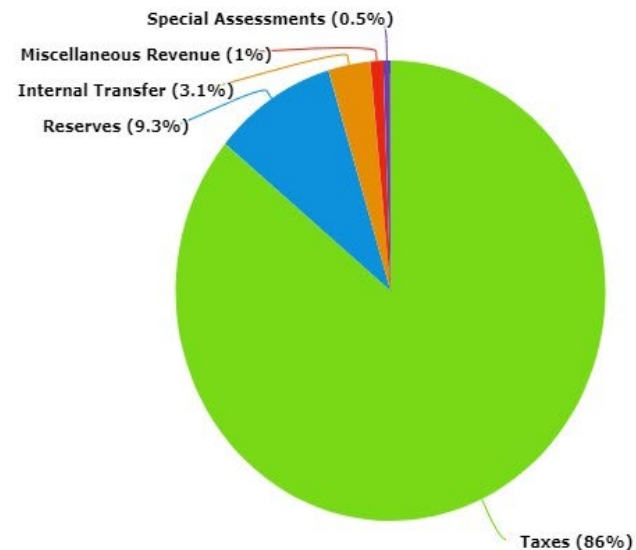
TID #6

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 pending final approval of the Developers Agreement and the subsequent commencement of infrastructure work.

Debt Service Fund

2024 Budget Highlights

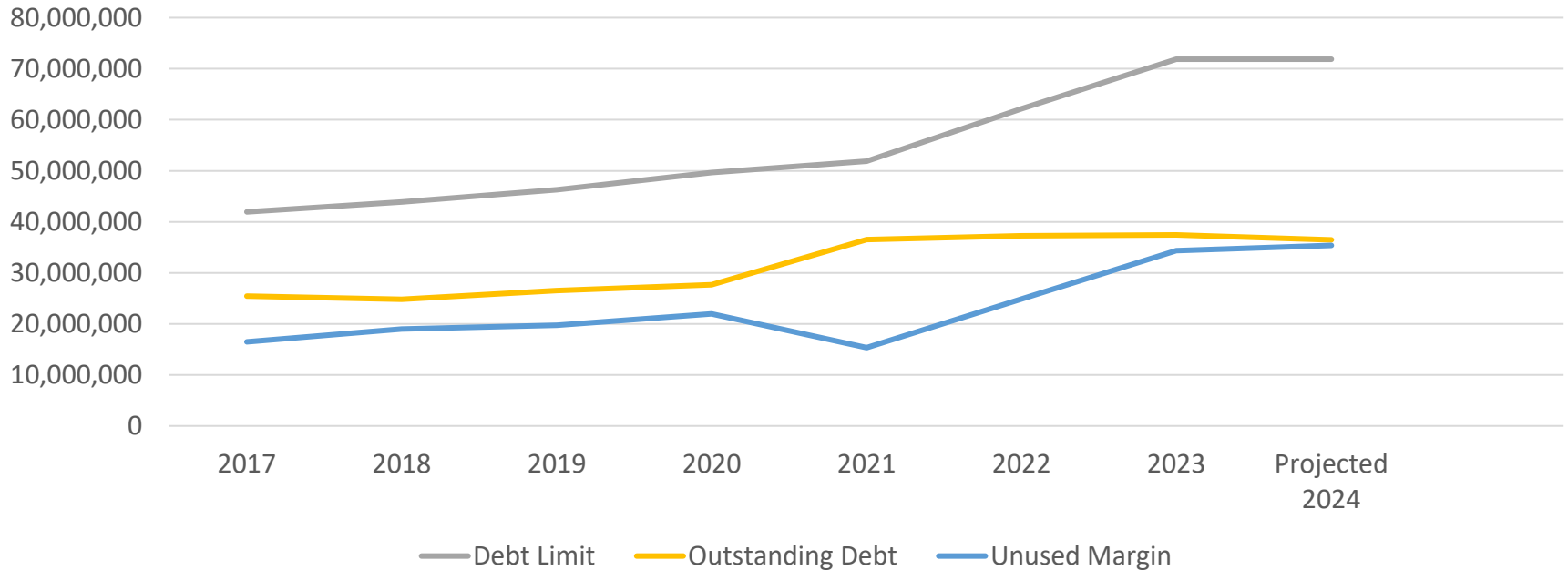
- Total expenditures of \$3,176,693 for payment of principal and interest due on Village General Obligation debt issued for non-TID capital projects and equipment purchases
- \$2,732,701 is supported by property taxes. This is the same amount levied in 2022.
- \$16,937 will be supported by special assessments
- \$31,005 will be supported by interest earnings
- \$100,000 will be supported by a transfer from the impact fee fund
- \$296,050 will be funded from the Debt Service Fund reserve



General Obligation Debt

	2017	2018	2019	2020	2021	2022	2023	Projected 2024
Equalized Value	839,258,300	877,402,300	926,137,500	992,994,900	1,037,875,100	1,243,347,200	1,436,940,800	1,436,940,800
Debt Limit	41,962,915	43,870,115	46,306,875	49,649,745	51,893,755	62,167,360	71,847,040	71,847,040
Outstanding Debt	25,465,869	24,842,923	26,545,298	27,671,864	36,558,430	37,300,000	37,465,000	36,464,242
Unused Margin	16,497,046	19,027,192	19,761,577	21,977,881	15,335,325	24,867,360	34,382,040	35,382,798

GO Borrowing Capacity



2024 Annual Village

Budget Summary of Changes from Published Budget

FIRE/AMBULANCE DESIGNATED FUND (320):

Increased budget for revised cost estimate of LIFEPAK Cardiac Monitors. Additional \$2,000 will be transferred to Capital Equipment Fund for the Village's share of this purchase.

	<u>Public Notice</u>	<u>Final Budget</u>	<u>Difference</u>
<u>Revenues (use of fund balance)</u>	\$160,000	\$162,000	\$2,000
<u>Expenditures</u>	\$160,700	\$162,700	\$2,000

CAPITAL EQUIPMENT FUND (430):

Offset to the above item. Total increase for the cardiac monitors is \$4,000 – the Town of Mukwonago will fund \$2,000 of this increase

	<u>Public Notice</u>	<u>Final Budget</u>	<u>Difference</u>
<u>Revenues</u>	\$722,000	\$726,000	\$4,000
<u>Expenditures</u>	\$855,000	\$859,000	\$4,000

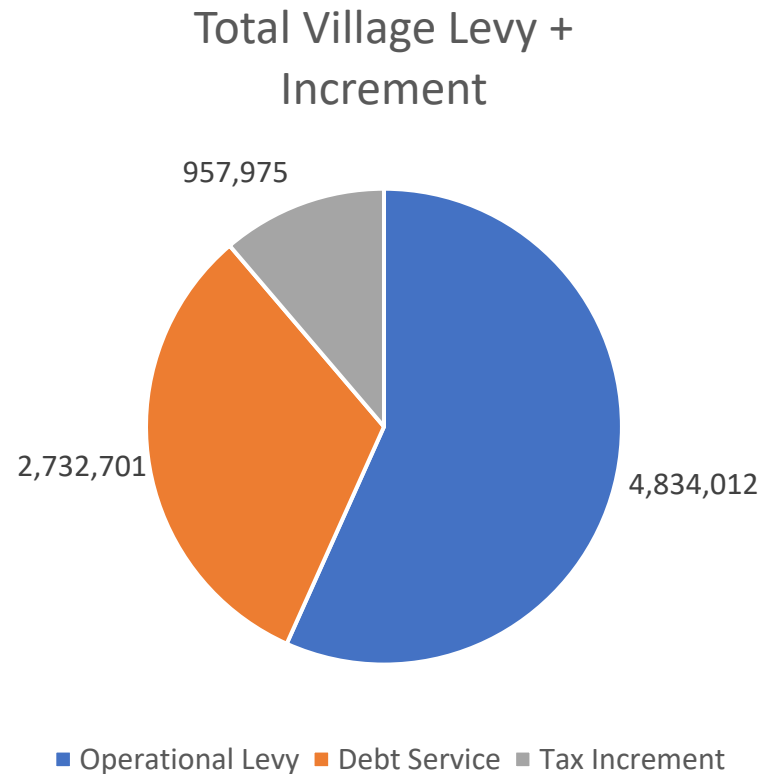
CAPITAL IMPROVEMENT FUND (480):

Increased budget for the addition of the Museum Flooring project to be funded from Reserves

	<u>Public Notice</u>	<u>Final Budget</u>	<u>Difference</u>
<u>Revenues (use of fund balance)</u>	\$662,000	\$670,535	\$8,535
<u>Expenditures</u>	\$2,016,727	\$2,025,262	\$8,535

A LOOK AT THE LEVIES AND TAXES

- The total property tax levy for all Village purposes is \$8,524,688
 - This includes the Village portion of the estimated increment calculation for all 3 TIDs
- Total Tax Base (Assessed Value) for 2023 Taxes payable in 2024 is \$1,013,383,700 - an increase of \$25,278,400 or 2.56% over 2022
- Total Equalized Value (TID IN) for 2023 is \$1,436,940,800 - an increase of \$193,593,600 or 15.57% over 2022
- For Village properties within Waukesha County, the local tax rate is estimated at \$8.430401 – essentially the same as last year
- For Village properties within Walworth County, the local tax rate is estimated at \$8.178188 – a decrease of \$0.27 per \$1,000 of assessed value or 3.21% less than 2022
- The following slide shows the impact of both tax rates in Waukesha & Walworth counties on various levels of assessed values



Estimated 2023 Village Taxes on Varying Assessed Values

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

Waukesha County	2022 Village Taxes	2023 ESTIMATED Village Taxes	\$ Change	% Change
MILL RATE	8.431631	8.430401	(0.00)	-0.01%
Assessed Value:				
150,000	\$1,264.74	\$1,264.56	(\$0.18)	-0.01%
200,000	\$1,686.33	\$1,686.08	(\$0.25)	-0.01%
250,000	\$2,107.91	\$2,107.60	(\$0.31)	-0.01%
300,000	\$2,529.49	\$2,529.12	(\$0.37)	-0.01%
350,000	\$2,951.07	\$2,950.64	(\$0.43)	-0.01%
400,000	\$3,372.65	\$3,372.16	(\$0.49)	-0.01%
450,000	\$3,794.23	\$3,793.68	(\$0.55)	-0.01%
500,000	\$4,215.82	\$4,215.20	(\$0.61)	-0.01%
550,000	\$4,637.40	\$4,636.72	(\$0.68)	-0.01%

Walworth County	2022 Village Taxes	2023 ESTIMATED Village Taxes	\$ Change	% Change
MILL RATE	8.449280	8.178188	(0.27)	-3.21%
Assessed Value:				
150,000	\$1,267.39	\$1,226.73	(\$40.66)	-3.21%
200,000	\$1,689.86	\$1,635.64	(\$54.22)	-3.21%
250,000	\$2,112.32	\$2,044.55	(\$67.77)	-3.21%
300,000	\$2,534.78	\$2,453.46	(\$81.33)	-3.21%
350,000	\$2,957.25	\$2,862.37	(\$94.88)	-3.21%
400,000	\$3,379.71	\$3,271.28	(\$108.44)	-3.21%
450,000	\$3,802.18	\$3,680.18	(\$121.99)	-3.21%
500,000	\$4,224.64	\$4,089.09	(\$135.55)	-3.21%
550,000	\$4,647.10	\$4,498.00	(\$149.10)	-3.21%

2024 ANNUAL VILLAGE BUDGET

SUMMARY

- The 2024 budget reflects a conservative approach to fund operations taking into consideration the impact of the inflationary period we are in.
- 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 2024.
- Thank you for your continued support during this past year.

2024 ANNUAL VILLAGE BUDGET

Please visit the Village website

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

to view the Village's 2024 Digital Budget Book which provides additional operational and capital budget detail.