

2020 General Fund Budget Overview

The Board of Trustees and the Administrator share a positive outlook for the Village of Marathon City. We continue to seek opportunities to strategically grow the Village both in value and size. We are focused on leveraging relationships and opportunities to provide the greatest benefit to our residents. While the future is impossible to predict, we believe the financial plan for 2020 enables the Village to continue its growth achieve and move forward successfully.

The Board of Trustees for the Village of Marathon City has identified the following primary drivers for the 2020 budget cycle:

1. The Village is committed to providing core services for Public Works (i.e. Streets and Sanitation) and Public Safety (i.e. Police and Fire).
2. The Village is committed to the continued commercial and residential growth of the Village.
3. The Village is committed to the continued revitalization of our downtown and business corridor with specific focus on securing a grocery store.
4. The Village is focused on achieving our goals in the most efficient and cost effective manner possible.

The Village of Marathon City continues to grow through both commercial and residential development. Both the equalized and assessed values of the Village grow in 2019 driven largely by the new construction. Village equalized by grew by 4% to \$156,845,900 and assessed value grew to \$149,070,100.

Wisconsin Levy Limit law allows the Village to increase the general fund tax levy by the net new construction rate. The net new construction in the Village was \$4,090,300 producing a rate of 2.71%. A 2.71% levy increase equate to a total of \$20,690 for the 2019 tax year payable in 2020. The Village Board proposes increasing the tax levy by the full amount allowed by law. The levy increase will result in an increase in the Village mill rate of \$0.0997 equating to \$7.11 per thousand dollars of assessed value. This generates a 1.42% increase in Village property tax for 2019 payable in 2020.

The proposed 2020 budget is \$1,480,432, an increase of 4.32% over the 2019 budget and integrates the priorities identified above, a continued focus on operational cost containment, continued contribution to public safety, directed spending for outside professional services and investment in public infrastructure. The 2020 budget also includes funding for replacement of a DPW truck and an articulating utility tractor as well as acquisition of a heavy duty equipment trailer. The assets being replaced are over 15 years old and have exceed their expected duty cycles. The new trailer will increase the operational efficiency of the DPW team related to summer operations. As a result, of the capital costs as projected draw from reserves is projected for 2020 totaling \$13,021.

The remainder of this document provides details on how the Village is funded, overviews changes in expenditures in the 2020 budget and illustrates graphically the proposed 2020 budget.

SUMMARY OF PROPOSED 2020 GENERAL FUND BUDGET

<u>REVENUES</u>	2019 APPROVED BUDGET	2020 PROPOSED BUDGET
GENERAL PROPERTY TAX	\$ 815,155	\$ 835,845
SPECIAL ASSESSMENTS	5,020	87,782
INTERGOVERNMENTAL REVENUES	313,745	330,853
LICENSES AND PERMITS	36,800	33,540
FINES & FORFEITURES	16,000	16,500
PUBLIC CHARGES FOR SERVICES	78,960	9,150
INTERGOVERNMENTAL CHARGES	83,249	96,991
MISCELLANEOUS REVENUE	70,250	56,750
BORROWED FUNDS	-	-
FROM CAPITAL RESERVE	-	13,021
TOTAL REVENUE	\$ 1,419,178	\$ 1,480,432
<u>EXPENDITURES</u>	2019 APPROVED BUDGET	2020 PROPOSED BUDGET
GENERAL GOVERNMENT	\$ 185,407	\$ 207,662
PUBLIC SAFETY	575,966	581,008
PUBLIC WORKS	387,706	372,625
HEALTH & HUMAN SERVICES	74,360	82,662
PARKS, CULTURE & RECREATION	22,125	22,125
CONSERVATION & DEVELOPMENT	2,000	6,600
MISCELLANEOUS	3,000	3,000
CAPITAL OUTLAY	-	69,800
DEBT SERVICE	130,125	134,950
TO CAPITAL RESERVE	38,489	-
TOTAL EXPENDITURES	\$ 1,419,178	\$ 1,480,432

The Village is funded primarily through two components, local property taxes and state aids. Local property tax increases are limited (i.e. levy limits) by the State of Wisconsin to the value of the previous year's net-new construction within the community. For Marathon City, the allowable increase rate based on new construction was 2.71% for 2019 or \$20,690.

The second component of Village funding is state aids and consists of Shared Revenue, Transportation Aid, Exempt Computer Aid and Recycling Grants. Projected Transportation Aids for 2020 will increase to \$105,225.06. This is the first increase in transportation aid in nearly a decade. State Computer aid and Recycling Grant funding have also decreased or remained flat and this trend will continue.

The largest aid payment to the Village is Shared Revenue. Shared revenue is calculated by the Wisconsin Department of Revenue (WDOR) but the formula and values for calculating aid has been frozen since 2001. As a result, the shared revenue calculation in 2020 the Village is projected to receive \$102,658. This is over \$44,000 less than was received in 2001.

Shared revenue and transportation aids represent 14.04% of the total 2020 projected revenue for the Village. By comparison, the same aids provide 40.85% of the budgeted revenue in Edgar, 40% in Athens and 30% in Stratford.

Based on the low state aids total and in comparison to our neighbors in western Marathon County, the Village of Marathon City is essentially self-funding infrastructure and growth. To date, this has been accomplished through the use of the tax levy, drawing from reserves, TID, grants and debt. However, the Village does not have additional TID expansion capability and will not borrow to 100% of the statutory limit for general obligation debt. State levy limits place further pressure on revenue of the budget and unlike our surrounding peers and communities, the Village has limited avenues for state and federal grant assistance.

The Village Board and Administration have evaluated multiple options in assembling the 2020 General Fund budget with careful consideration of the following:

- Reductions or stagnation in state aids.
- Eliminating the draw on reserves created by state aids challenges.
- Maintaining or reducing discretionary expenditures.
- Maintaining service levels in core services.
- Impacts on the community.

The 2020 Budget incorporates the maximum levy increased allowed under the state levy limit law. The levy will continue to incorporate a specific levy for General Obligation Debt of \$50,000 as allowed by law.

Expenditures for the Village will increase slightly in the 2019 budget and are reflective of the goals outlined by the Board of Trustees.

The employees of the Village are dedicated to the community and strive to be great ambassadors of the local governing body to the residents of the Village. The 2020 budget provides for a 2.07% salary increase and funds a 4.23% increase in health insurance premium. The Village Board will continue to leverage expense allocation to both TID #1 and TID #2 to reduce impacts on the general fund. Costs for engineering, legal, administration and construction are the primary areas where allocation is being fully utilized.

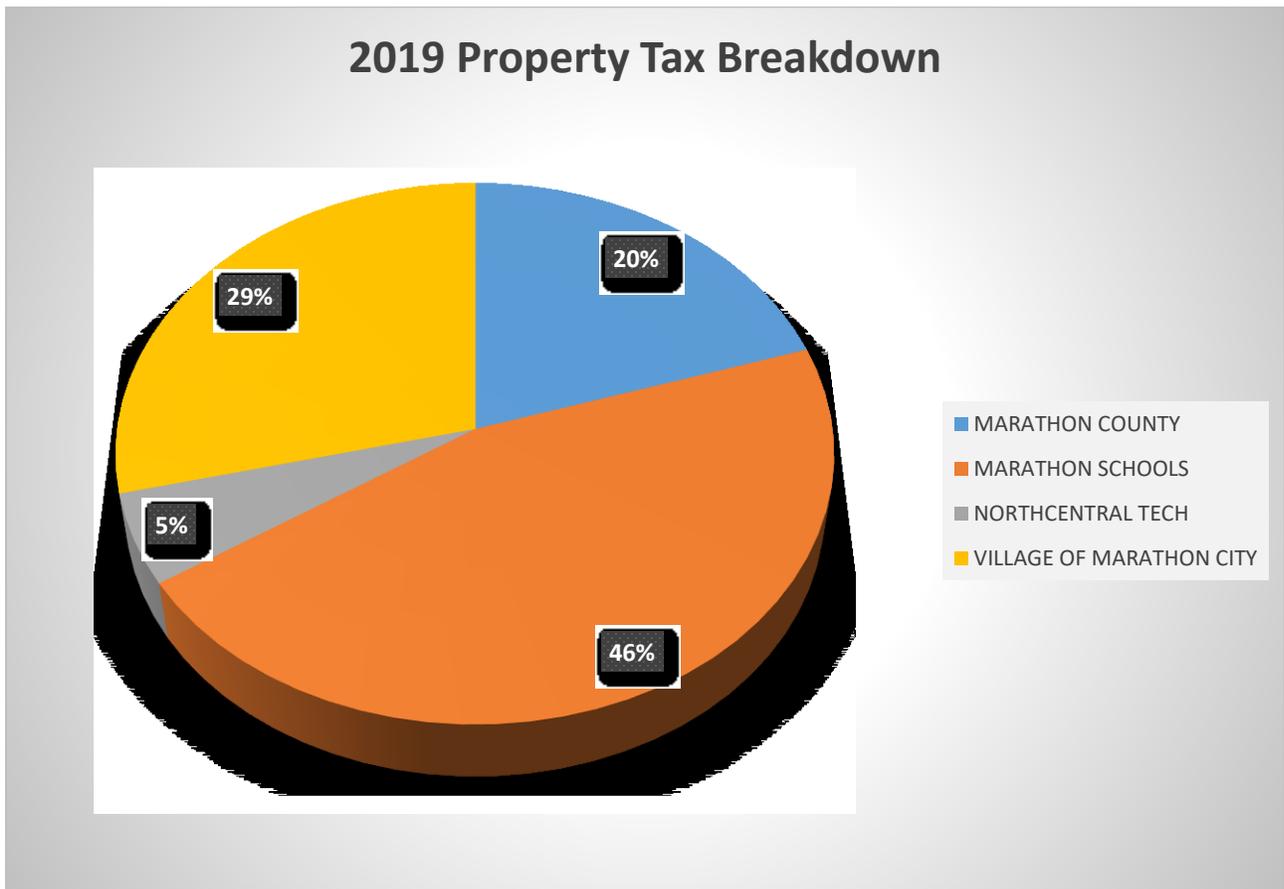
The 2020 Budget reduces spending on street maintenance from 2019. Projects being considered for 2020 include improvements and resurfacing of Westview Drive and resurfacing Third Street from East to Walnut Street. The Village has applied for grants from the DOT to assist in offset costs related to the street projects within the Village. The Village plans to contract for crushing of the material pile located in the Village dump to provide road base for utilizing in future streets projects. This will reduce future expenditures on road base for upcoming streets projects.

Moderate increases within the fire department budget are due to increases in training requirements for existing and new personnel, equipment and supplies for EMS, an increase in ambulance service contract with Edgar, and replacement of personal protective equipment for fire fighters. Additionally, vehicle maintenance costs continue to grow as the age of the equipment increases. Future budgets will include capital expense for vehicle replacement and grant application. These expenses are required to maintain the excellent level of service we benefit from.

Marathon City has leveraged the growth achieved over the past 5 years and continues to seek growth and opportunities for redevelopment in the Village. Marathon City has a positive outlook and the proposed 2020 budget is intended to provide the tools to achieve the goals set by the Village Board of Trustees. The Board will continue to focus on maintaining fiscal responsibility, delivery of quality services and growth of the community.

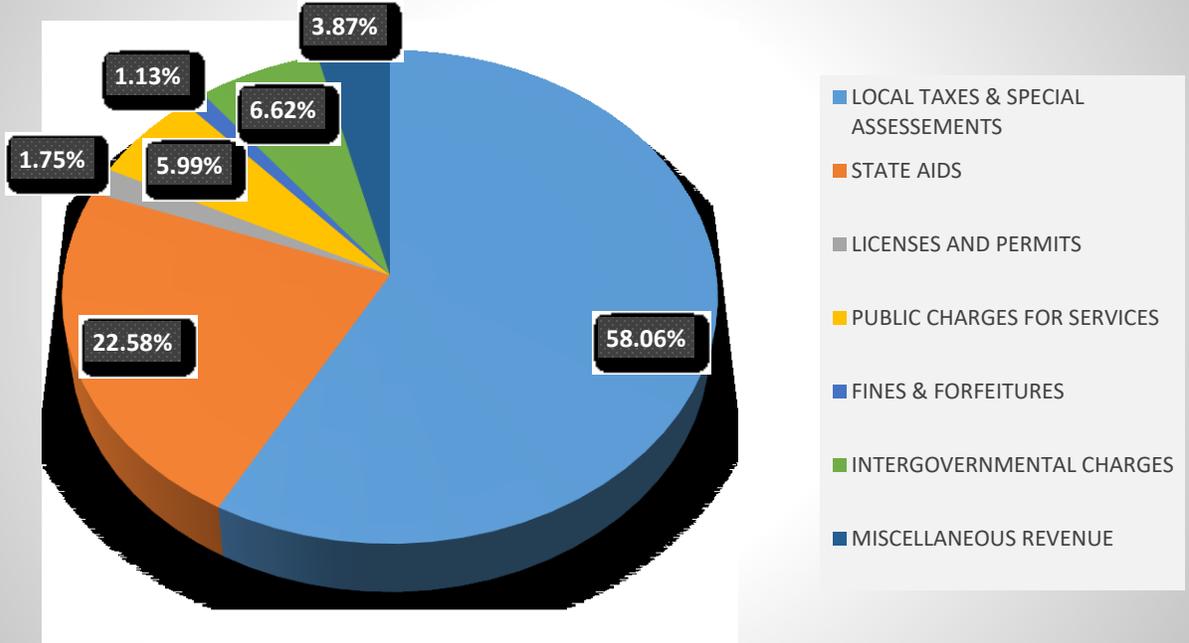
The following charts illustrate key data points of the proposed 2020 budget in a graphical manner and are intended to help taxpayers easily understand the proposed budget and its components. Graph number one breaks down the 2020 annual tax bill by taxing entity. Graph two depicts the revenue elements of the 2020 Village Budget. Graph three represents the expenditure breakdown of the 2020 budget. Graphs four and five depict monthly and daily breakdowns of the proposed 2020 expenditures on a per property basis for comparison to other household expenses.

Graph 1

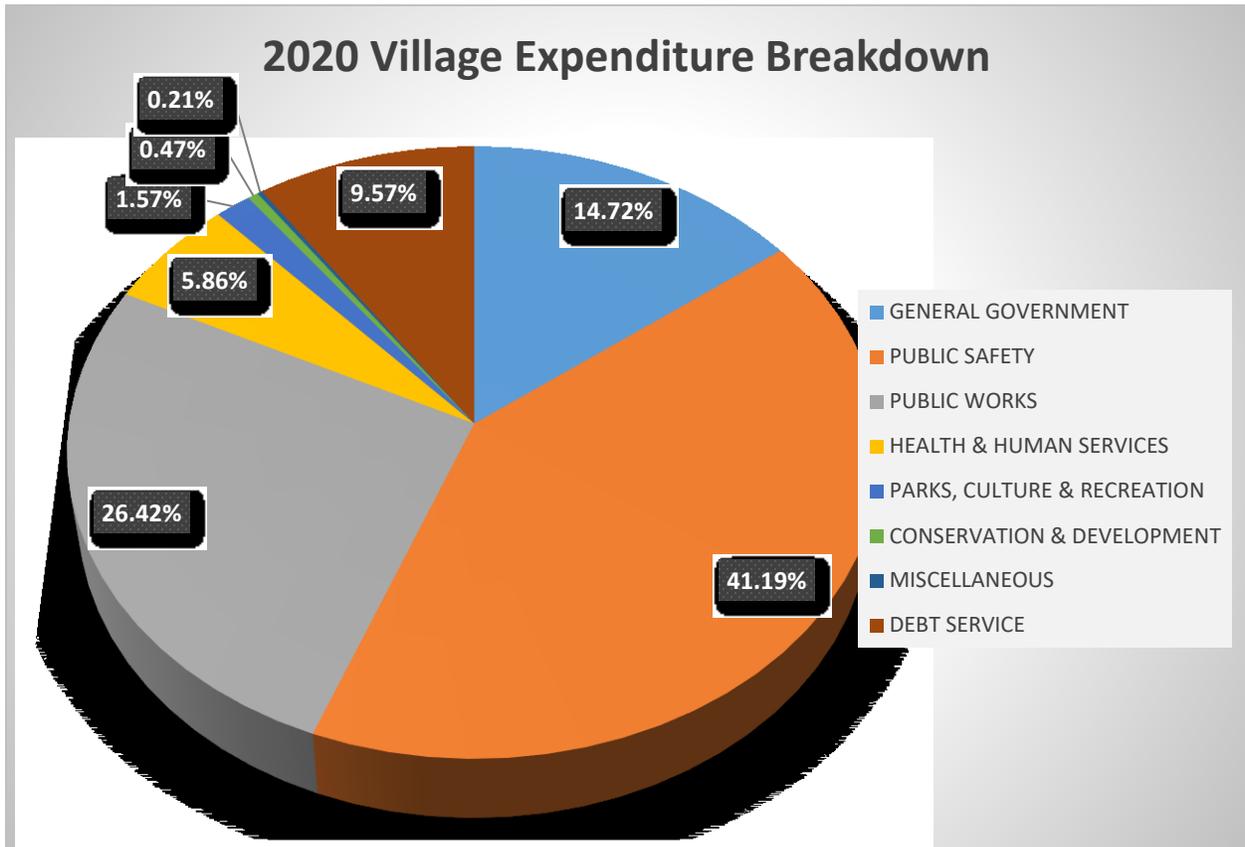


Graph 2

2020 Village Revenue Breakdown



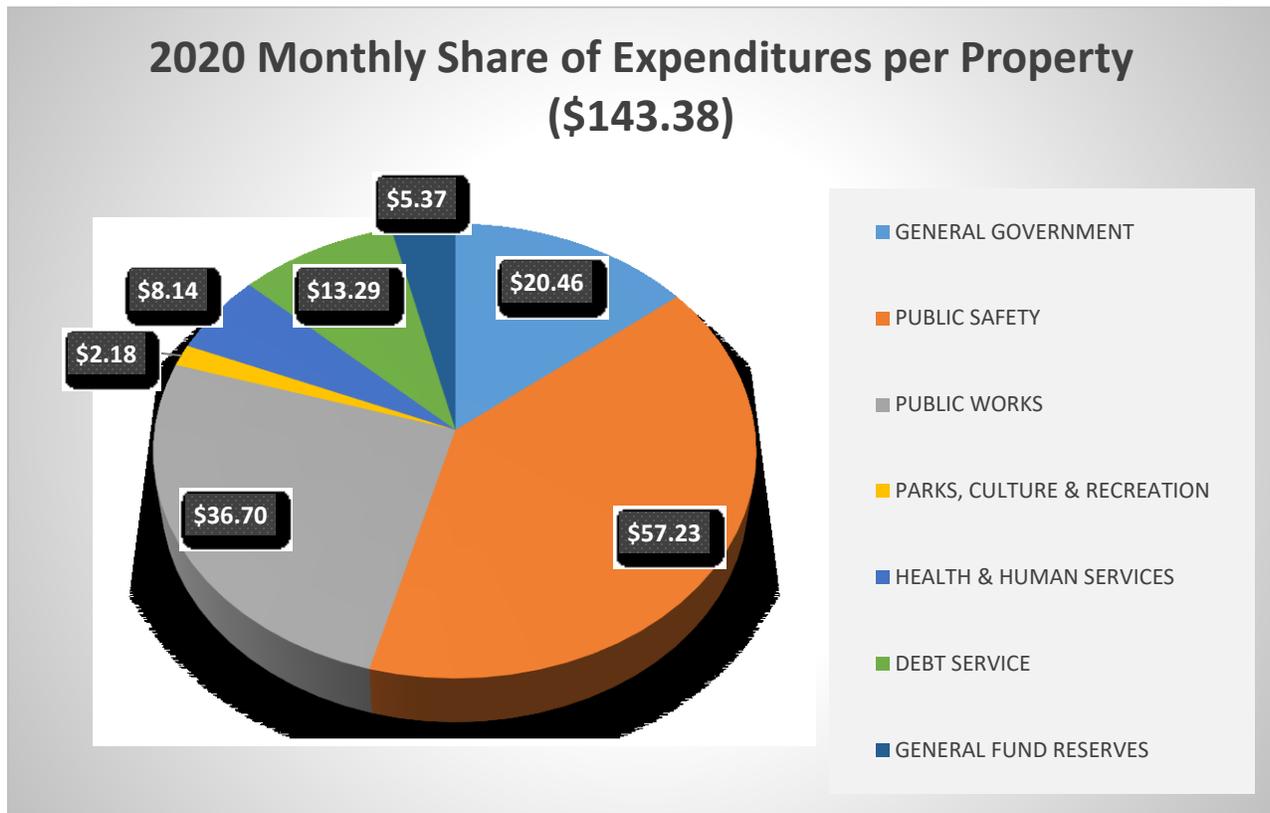
Graph 3



Public Safety Includes:

- Police
- Fire
- First Responders
- Ambulance Service

Graph 4



Comparable Monthly Expenses:

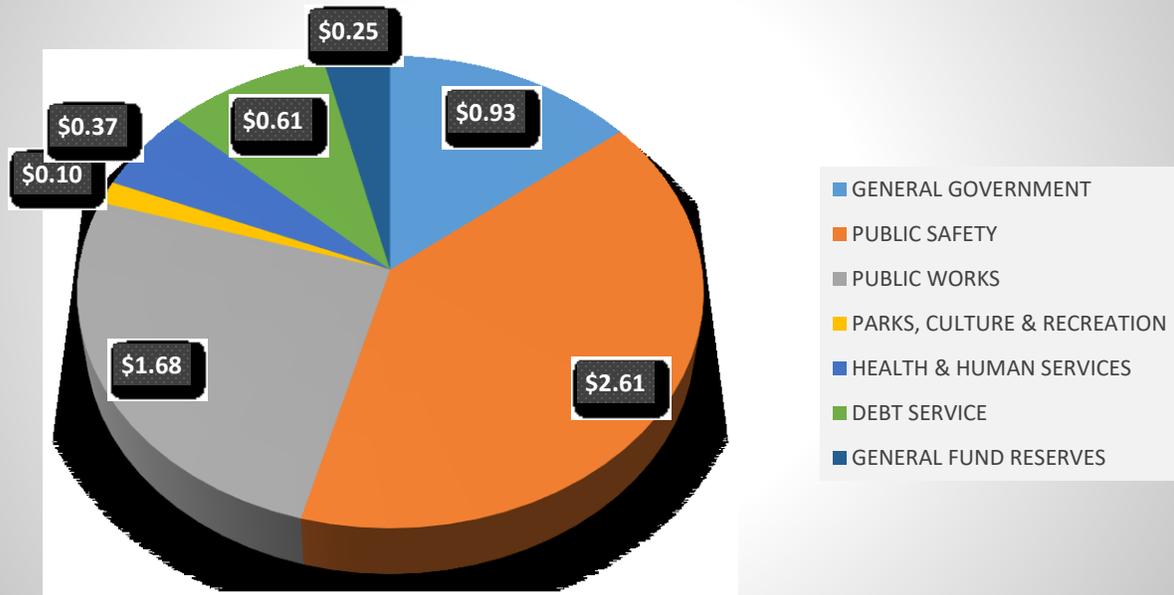
Family of 4 with iPhone 10 devices on Verizon unlimited data plan = \$200 per month

DirectTV Satellite with 4 TVs in home on Ultimate Channel Package = \$160.88 per month

WPS Gas & Electric Bill 3 bedroom 2200 Sq Ft House = \$222.00 budget billing per month

Graph 5

2020 Daily Share of Expenditures per Property (\$6.55)



Comparable Daily Expenses:

Starbucks Venti Pumpkin Spice Latte = \$5.25

Starbucks Venti Café Mocha = \$4.65

Subway 6" Club with chips and drink = \$7.58

McDonalds Quarter Pounder with Cheese Meal = \$7.27

Pack of Marlboro Light Cigarettes = \$9.75