



## Village of Arena

### 2020 Proposed Budget

The Village of Arena presents a balanced 2020 Proposed budget and in accordance with Wisconsin State Statutes. The submitted budget makes the difficult decisions on which priorities to fund, and which must be delayed to future years, in order to maintain a balanced and financially sound budget.

The 2020 Budget represents four important purposes:

- It is a policy document that is developed by the Village Board to provide direction on where the Village is moving and what it prioritizes.
- It is a financial plan that defines the various sources of funds to be collected, both internal and external to the community, as well as the services, programs, and activities that the citizens can expect to be provided.
- It is an operational guide for staff on how programs and activities are structured.
- It is a communication tool providing the public and other entities with a better understanding of how the Village's finances are structured and what those finances pay for.

#### Looking Back at 2019

- The Village took out a loan in the amount \$330,000 to demolish and reconstruct the Village Garage/Shop which was needed due to structure/building code violations.
- The Village embarked on completing the ten-year Comprehensive Plan (projected to be completed in March 2020).
- Due to continually repairs on the 2013 police squad, the Village approved leasing a 2020 squad and utilized capital outlay funds to equip it.
- Utilized surplus funds consisting of: \$6,000 for extra crack filling, \$12,000 from unexpected attorney fees, and \$11,400 for payout of vacation accrual upon resignation.
- Hired new staff and adjusted job descriptions to help utilized employee skills more proficiently.
- Updated computers/server to Windows 10.

#### State Funding Limitations

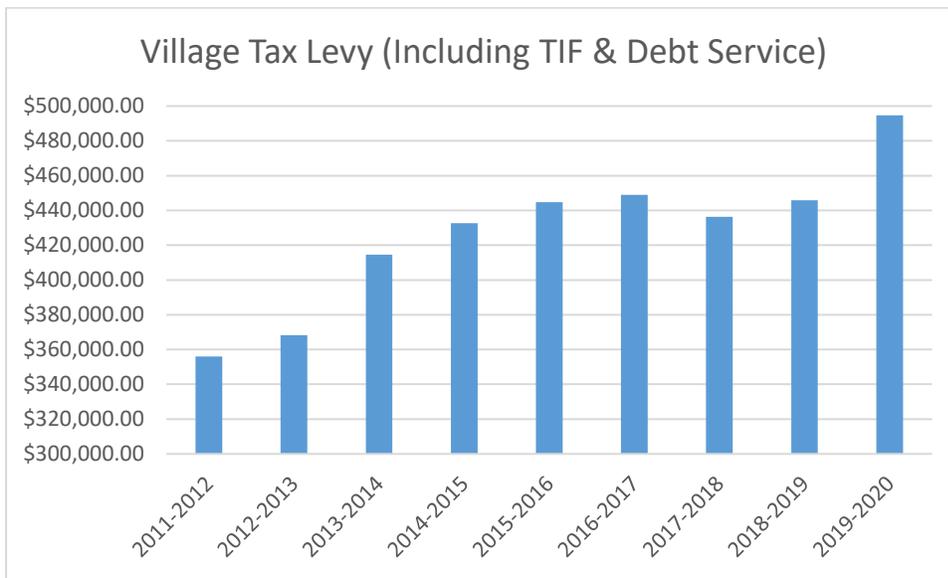
The 2020 Budget presents similar funding challenges to those experienced in 2019 due to tax levy limits and expenditure restraints to meet the State's ERP program eligibility requirements. Net new construction for the Village is 1.107% (down .445% from 2019). Based on growth, the total allowable tax levy for 2020 is \$360,977 or a 1.1% increase compared to the 2019 levy amount. As such, the total allowable levy increase

for the Village in the 2020 Budget is only \$3,952 (not accounting for debt service). Table 1 and Figure 1 compare the Village's tax levies history, without tax increment financing (TIF)/Debt service and with TIF included, respectively.

Table 1: Total Village Tax Levy 2016-2020

Total Tax Levy (w/o TIF)	2016	2017	2018	2019	2020	2020 Change over 2019
	\$346,497.00	\$347,256.00	\$351,569.00	\$356,577.00	\$360,680.00	\$4,103.00
						1.10%
Levy Increase (w/o debt)	\$405.00	\$759.00	\$4,313.00	\$5,456.00	\$3,952.00	-\$1,504.00
						-38%

Figure 1: Village Tax Levy History 2011 - 2020



The Village had a loss of funds in the amount \$13,595 from exceeding the Expenditure Restraint Program (2018-2019 budget years) that affected the 2020 Budget. With this loss and limited additional levy amount of \$3,952 for FY 2020 means that the 2020 Budget includes strategic funding decisions about which projected and items to fund in 2020. In order to deal with reality, the Village opted to move the recycling expenditure to the utility bills for residential households to make up for the loss of \$13,200. The Village has applied for two street grants to help aid in the reconstruction of Oak Street from Hwy 14 to Brown St. If grants approved, will need to borrow funds in 2020 for completion of the project.

Figure 2: Net New Construction 2011 – 2019 (Summary of trends of growth)

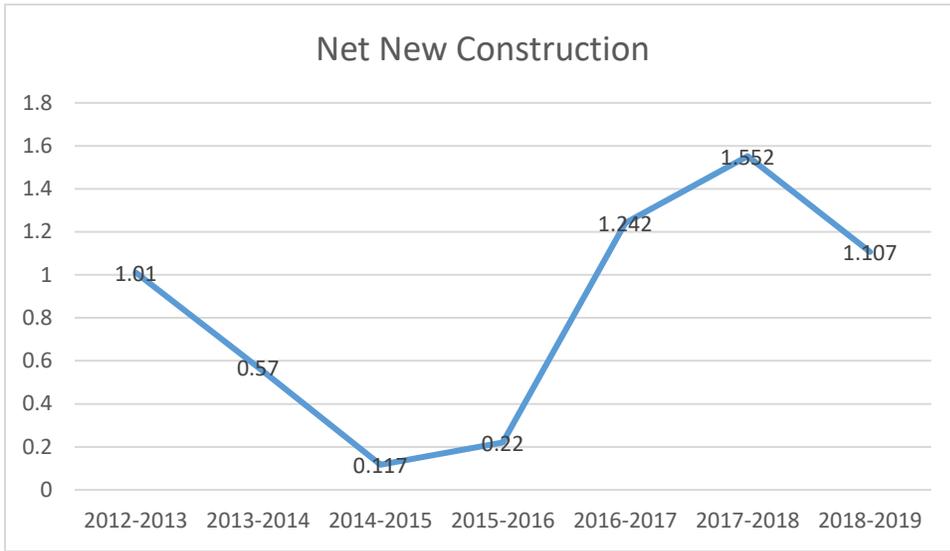
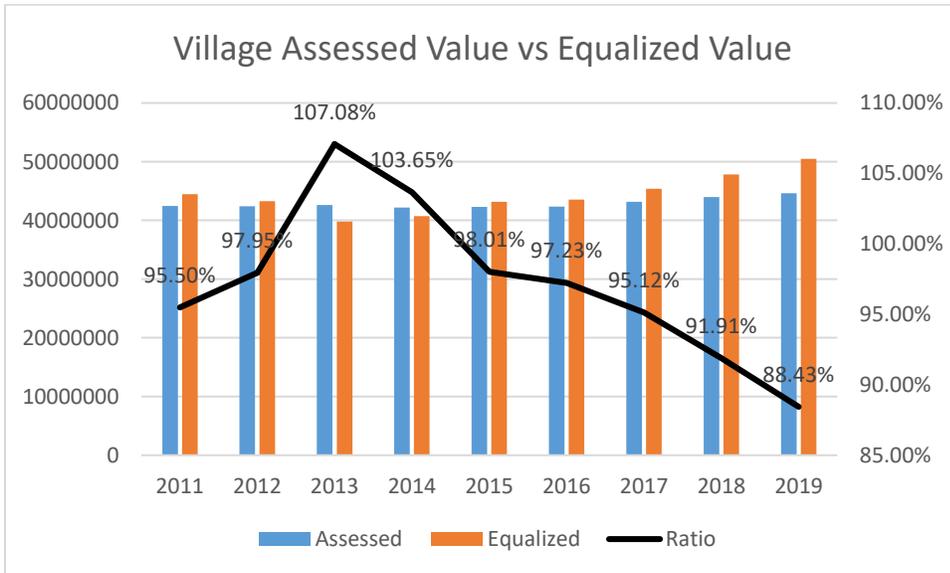


Figure 3 below compares the Village’s Assessed versus Equalized Values, which is a determining factor in the amount of property taxes the Village can levy in a given year.

Figure 3: Village Assessed vs Equalized Values



Budget Highlights – Taxes and Rates

- The tax levy (excluding debt) increased \$3,952 compared to 2019.
- Debt service levy increased by \$34,365.35 (46%) compared to 2019 due to Village Garage/Shop loan.

- The Capital Outlay decreased by \$13,500 for 2020, due to levy limit restrictions.
- The Wisconsin Department of Revenue Expenditure Restraint Program (ERP) percentage for 2020 is 2.6%. The 2020 Budget is under the required ERP threshold at -2.45%.
- State Shared Revenue has decreased \$13,595 from 2019 at \$99,006.
- State Highway Aid is up \$1,386 from 2019 at \$34,350.
- The Assessed Value for the community is \$44,622,300, up \$660,200 from 2019.
- The Village's contribution to the Arena Fire Department's operating budget of 27% of total 2020 budget was approved at \$25,463.16, increase of \$2,403 (9%) to cover increase in wages.

#### Budget Highlights – General Fund

- Moved department heads to salary vs hourly wages.
- Wisconsin Retirement System increased contribution rate from 6.55% to 6.75% for general employees and 10.72% to 11.74% for police.
- Due to budget restrictions, health insurance for employees was not possible.
- Restructured standing committees to reduce number of meetings and costs.
- Increase in election budget due to four elections in 2020 vs one in 2019.
- Upgrading to a new accounting software to better establish internal controls. Also will have auditors complete the Financial & Public Service Commission annual reports to ensure accuracy.
- Increase community involvement and communications through upgrading the website and provide a text message program.
- Police budget increased \$9,000 to cover lease payment for 2020 squad.
- Continue to maintain streets with crack filling and seal coating. Budgeted \$15,000 to clean out the Army Cor of Engineer (ACE) ditch to assist with water flow from the village.
- Budgeted \$1,000 to go to RiverValley Business Association to assist with economic development.

#### Budget Highlights – Utilities

- Will need to review current rates for water and sewer services.
- Will continue to work on Inflow & Infiltration of water into the sewer system to help decrease amount of water that must be treated to assist with lowering rates.
- Budgeted for maintenance on the water tower and lift stations.
- Looking at possibly needed a new water meter tower to assist with getting regular meter readings on the east side of the village. Upgrade the meter reading software was also budgeted.
- Continue residential and commercial cross-control inspection program.

#### Conclusion

The 2020 Budget effectively supports the community's goals with the context of the existing funding limitations. The 2020 Budget allows the Village to continue to efficiently provide essential services for the citizens of Arena.