

City of Appleton, Wisconsin



2005 ADOPTED BUDGET AND SERVICE PLAN

EXECUTIVE SUMMARY

Developed by:
Mayor Timothy M. Hanna

Produced by:
John Hoft-March, CMA
Budget Manager
Lisa A. Maertz, CPA, CPFO
Finance Director
Anthony D. Saucerman, CPA
Deputy Finance Director
Kelli K. Rindt, CPA
Accounting Manager

**In the heart of the Fox Cities,
north of Lake Winnebago.**



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"...meeting community needs....enhancing quality of life"

OFFICE OF THE MAYOR

Timothy M. Hanna
100 North Appleton Street
Appleton, Wisconsin 54911-4799
(920) 832-6400 FAX (920) 832-5962
e-mail: mayor@appleton.org

December 3, 2004

Members of the Common Council and Community
City of Appleton
Appleton, Wisconsin

Dear Appletonians:

I present to you the 2005 Budget and Service Plan, including the five-year Capital Improvement Plan (CIP). This Budget was prepared using the parameters we have developed through our fund balance policies and the parameters given to us through the State's Expenditure Restraint Program. As you are well aware, a year ago we were faced with a situation of dramatically reduced revenues and increased costs. In light of those factors I proposed, and we adopted, a budget with significant reductions in expenditures so as to minimize the impact on our tax levy and on our property taxpayers.

Unlike last year, we will not see any significant reductions in revenue coming from the State of Wisconsin. However, we will again see increased costs that affect the overall budget. The 2005 Budget includes: overall wage and salary increases of slightly less than 3%, another mandatory increase in the City's contribution to the Wisconsin Retirement System of about .5%, and increased health insurance costs of approximately 9.8%. These increased wage and fringe benefit costs average out to be a 5.13% increase over the 2004 Budget, to start, without any increases for non-personnel items.

The Expenditure Restraint Program of the State of Wisconsin is a program that the City of Appleton has participated in for many years. This program allows for additional shared revenue from the State for those municipalities that keep the growth in their general fund expenditures to less than inflation plus a factor of their tax base growth. In 2005, the Expenditure Restraint Program revenue for the City of Appleton is estimated to be about \$1.3 million. The increase in General Fund expenditures allowed for Appleton under Expenditure Restraint must be under 3.8%. Consequently, with wages and fringes increasing an average of 5.13%, other areas have been reduced to meet the parameters of the Expenditure Restraint Program.

Along with numerous small changes to departments' budgets, there are two major reductions. The first is delaying the permanent repaving of Mason Street for one year (\$654,750). The other is a one-time delay in the blanket replacement of personal computers, stretching some models an additional year (\$115,424). These reductions enabled us to include funding for two Firefighters, which were unfunded in the 2004 Budget, and restore the Appleton Public Library hours to 2003 levels while still meeting the parameters of Expenditure Restraint.

In an attempt to continue to improve the usefulness and readability of the document, you will see some changes in the way the Budget is presented. These changes include:

- Organizational charts have been eliminated since they are already offered in a separate glance chart publication each year.
- Line item summary reports that appear at the end of each budget consolidating all business units.
- Reconciliation of what was submitted by the departments to the Executive Budget (per Council's request). Each department has assigned a priority ranking for items I was not able to include in the Budget. I have also assigned an overall City rating. See pages x-xiv and xvi.

- Complete list of prioritized supplemental requested additions and deletions to the Budget (per Council's request). See page xv.

I'd like to take this opportunity to thank all of our department heads and their staff for their hard work on this budget. The process of developing this budget has been one of openness and collaboration, and I thank the staff for working hard to keep the best interests of the City in mind, sometimes in spite of their own department's wants and desires. I would also like to thank Accounting Manager Kelli Rindt, Budget Manager John Hoft-March, Deputy Director Tony Saucerman and Director Lisa Maertz of the Finance Department for their tireless efforts in preparing this document. The financial condition of our city remains excellent in large part due to the work of this outstanding staff. They deserve a great deal of credit for the jobs they do on a daily basis on behalf of our community.

The major highlights of the 2005 Budget are as follows:

FISCAL

- Taxes – This Budget meets the requirements of the State's Expenditure Restraint Program bringing the City \$1.3 million in State funds. This Budget also meets the requirements of the City's Tax Levy Ordinance. Overall, this Budget includes an increase in levy-related expenditures of 2.16%. This Budget also contains a decrease in levy-related revenues of 2.8%. The result is an increase in the levy of 5.06%. This increase in the levy, coupled with the growth of the City's tax base, results in a equalized tax rate of \$8.0627 per thousand, down from \$8.1788 or a 1.42% decrease.
- General Obligation Debt – The 2005 Budget anticipates the beginning of the process of the addition and remodeling of the Appleton Police Department. Resources are allocated for the development of plans and specifications for this project. Also included in the Capital Budget are funds for the replacement of the HVAC system and remodeling of Fire Station #1. This Budget meets the requirements of our debt policy, keeping outstanding General Obligation Debt within 40% of the limit prescribed by law in 2005 and in all years of the CIP Plan.
- Fund Balances – The fund balance policies that we have put in place are met by this Budget. In 2004, we maintained the City's outstanding bond ratings and saw the bond rating for Water Utilities upgraded from A1 to Aa3. These outstanding bond ratings enable the City to borrow funds at very low interest rates, which in turn, saves our taxpayers and ratepayers significant dollars. The fund balance policies that we have adopted continue to ensure the City's outstanding bond ratings and financial stability.
- Internal Financing – The City has internally refinanced some debt structures to avoid the external costs associated with the market. An update of the status of these issues follows:

TIF District One will pay back the General Fund the amount of \$1,672,654.

TIF District Two will have no impact on the General Fund in 2005.

TIF District Three will require an advance from the Parking Utility of \$800,000 to meet debt service requirements incurred from the Washington Street and East Ramp parking structures. No advance from the General Fund is required in 2005.

TIF District Four will have no impact on the General Fund in 2005.

TIF District Five will require an advance of \$60,000 from the General Fund.

TIF District Six will have no impact on the General Fund in 2005 as all advances were repaid with 5% interest in 2004.

Reid Golf Course will pay back \$68,006 to the General Fund.

ECONOMIC DEVELOPMENT

Development related projects in this Budget include:

- Industrial and Business Park Development – This Budget includes continued funding for infrastructure for the second phase of development for Southpoint Commerce Park (\$2,401,406), which will add an additional 12 lots of industrial land inventory.
- Residential Project – The 2005 Budget provides funding for City of Appleton participation in the rehabilitation of the former Wire Works building into 25 housing units for low- to moderate-income households (\$1.3 million).
- Riverfront Initiatives – Funds are budgeted in 2005 for the development of plans and specifications for a riverfront trail from Vulcan Heritage Park to Lutz Park (\$75,000). This Budget also shows funds in the 2006 Capital Improvement Plan for work at the former Foremost Dairy property, reacquisition of the WE Energies property, demolition of the former City of Appleton Water Treatment Plant and development of the riverfront trail from Vulcan Heritage Park to Lutz Park (\$2,177,000).
- TIF District Five – The 2005 Budget includes costs associated with site preparation, infrastructure and general construction assistance for a multi-family housing development (\$110,000).

UTILITIES

- Water – Organizational changes for Water include: the addition of the Water Operations Manager position; elimination of the Safety Coordinator position; elimination of Central Building Maintenance (CBM), Water Filtration, and Water Meter Team premiums; elimination of one Water Meter Technician position and the reallocation of the Director and Deputy Directors' time to reflect a 50/50 split between Water and Wastewater.
- Wastewater – The above-mentioned changes (the elimination of the CBM team premiums, elimination of the Safety Coordinator position and reallocation of Directors' time) also have an effect on Wastewater. This Budget contains funding for projects designed to improve the Wastewater Treatment Plant. These projects include: the addition of one belt filter press; lime sludge dewatering press; replacement of a programmable logic controller and the recoating of primary and final clarifiers.
- Stormwater – This Budget provides funding to continue our efforts in the management of stormwater in the city. Anticipated projects are balanced between new infrastructure on our north and south sides and reconstruction of existing infrastructure.

PERSONNEL

Following the adoption of the 2004 Budget, the Common Council made the decision to provide funding for two Firefighters through the use of carryover dollars from the 2003 Budget. This 2005 budget includes funding for those two positions as well as the Operations Manager at Water, as noted earlier. The 2005 Budget also includes the elimination of one CSO III and a part-time non-benefited Accreditation Specialist position in the Police budget and the addition of a Construction Manager in the Mayor's Office to oversee various City facilities projects. This budget eliminates funding for the Safety Coordinator at Water and Wastewater and one Meter Technician, as noted earlier.

CAPITAL IMPROVEMENT PROGRAM

Highlights of the remainder of the 2005 CIP are as follows:

- Parking Utility structural repairs to City Center Parking Ramp – (\$100,000)
- Valley Transit asphalt resurfacing at operations facility – (\$175,000)
- First phase of conversion of City phones to voice over Internet Protocol – (\$198,000)
- Reid Golf Course irrigation system upgrade – (\$775,000)
- Lutz Park boat ramp renovation and shoreline wall – (\$180,000)
- Pierce Park tennis and basketball courts reconstruction – (\$135,000)

- Telulah Park utilities, entrance road and pavilion parking lot upgrade – (\$200,000)

CONCLUSION

The City of Appleton is in sound financial condition as evidenced by our continued strong general purpose and revenue bond ratings, as well as our adherence to all external and internal financial policies. This 2005 Budget balances the needs of the City in a fiscally responsible manner and effectively positions our community for the future.

Sincerely,

TIMOTHY M. HANNA
Mayor of Appleton

CITY OF APPLETON – 2005 BUDGET EXECUTIVE SUMMARY

COMBINED SUMMARY OF EXPENSES - ALL FUNDS

The City of Appleton follows the accounting methodology known as fund accounting, whereby revenues and expenditures are categorized by fund. Each individual fund represents a specific purpose or activity. Fund accounting is a means of separating and tracking those revenues and expenditures related to each specific purpose. For reporting purposes, funds are grouped by fund type.

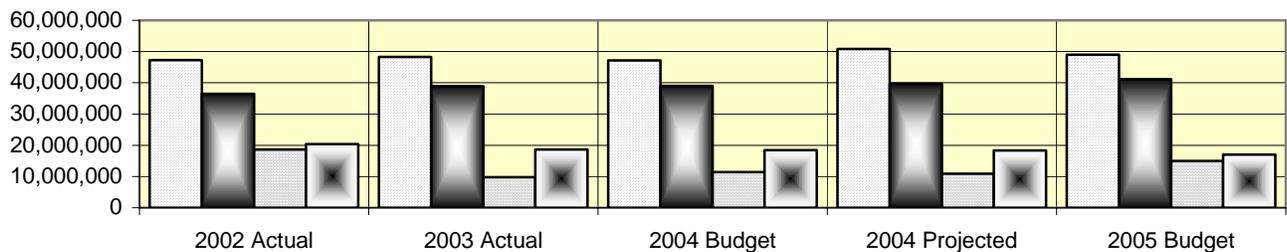
Table 1: TOTAL EXPENSES - ALL FUNDS ¹

Funds	2002 Actual	2003 Actual	2004 Budget	2004 Projected	2005 Budget
General Fund	47,232,258	48,281,928	47,212,421	50,803,229	48,976,853
Debt Service Funds	9,359,561	7,913,675	8,388,085	7,996,971	7,672,747
Special Revenue Funds	10,998,532	10,738,371	10,083,966	10,321,758	9,389,241
Capital Projects Funds	18,602,227	9,792,955	11,449,436	10,874,888	15,010,310
Proprietary Funds	36,456,878	38,955,014	39,022,278	39,764,330	41,141,461
Permanent Funds	1,000	0	500	1,200	500
Total - All Funds	\$122,650,456	\$115,681,943	\$116,156,686	\$119,762,376	\$122,191,112

¹ Proprietary funds are shown net of capital investments, which are capitalized and depreciated. Beginning with 2003, figures reflect the elimination of the chargeback (credit) of depreciation on contributed assets (\$2,718,000 budgeted in 2002) in accordance with Governmental Accounting Standards Board Statement #34 (GASB 34). This accounting change is for financial reporting purposes and has no impact on proprietary fund rates or actual cash expenses.

² Proprietary funds are shown without the Central Building Maintenance (CBM) fund, which was discontinued as an internal service fund in 2003.

Fig. 1: COMBINED SUMMARY OF EXPENSES



General Fund
 Proprietary Funds
 Capital Projects Funds
 All Other

The table and chart above show total City-wide expenditures for all funds for several years. The General Fund accounts for all of the routine operations of the city. The Proprietary Funds category consists of the Enterprise Funds (Water, Wastewater, Stormwater and Parking Utilities, Reid Municipal Golf Course, and Valley Transit) and the Internal Service Funds (Central Equipment Agency and Risk Management Fund). Debt Service Funds account for the payment of interest and principal on general long-term debt, Special Revenue Funds account for various special revenue sources which are legally restricted to expenditures for specific purposes, Capital Projects Funds account for the acquisition or construction of major capital facilities other than those financed by Proprietary Funds, and Permanent Funds are for assets restricted for the purpose of generating interest income.

CITY OF APPLETON – 2005 BUDGET EXECUTIVE SUMMARY

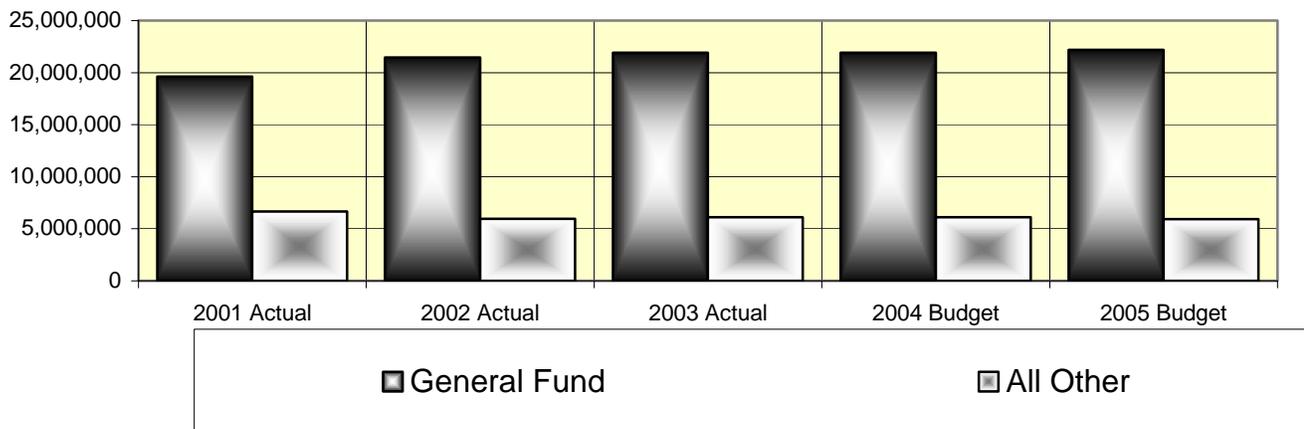
PROPERTY TAXES

Property taxes support various types of expenditures made by the City of Appleton. Expenditures within individual funds differ in the degree to which they are financed through property taxes.

Table 2: PROPERTY TAX LEVY BY FUND

Funds	2001 Actual	2002 Actual	2003 Actual	2004 Budget	2005 Budget
General Fund	19,596,190	21,463,222	21,952,494	22,173,800	23,626,615
Debt Service Funds	2,937,127	3,000,396	2,922,956	2,917,334	2,903,025
Special Revenue Funds	2,780,415	2,663,594	2,721,342	2,573,944	2,637,436
Capital Projects Funds	932,672	291,146	460,370	446,371	365,731
Total - All Funds	\$26,246,404	\$27,418,358	\$28,057,162	\$28,111,449	\$29,532,807

Fig. 2: PROPERTY TAX LEVY BY FUND



This chart illustrates the allocation of property tax revenues to various City operations. The General Fund, which accounts for the day-to-day functioning of city government, is funded primarily from property taxes and intergovernmental revenues such as the State Shared Revenue program. Enterprise Funds, which generally function as independent business enterprises, are primarily funded by user fees, while the majority of capital projects are funded by borrowing.

CERTIFIED APPORTIONMENT OF PROPERTY TAXES

Property taxes in the City of Appleton include levies for various purposes in addition to City government, including schools and other levels of government.

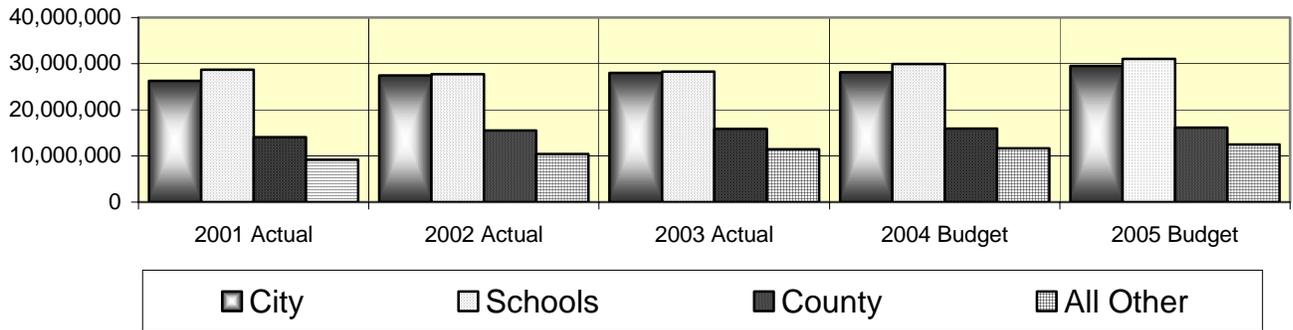
Of the net 2005 property tax levy, approximately 35% was levied for various City operations as illustrated in Table 3 and in Figure 3 following. Another 37% was levied by the Appleton, Menasha, Kimberly and Freedom school districts, 20% by Outagamie, Calumet, and Winnebago counties, and 7% by Fox Valley Technical College.

CITY OF APPLETON – 2005 BUDGET EXECUTIVE SUMMARY

Table 3: CERTIFIED APPORTIONMENT OF PROPERTY TAXES

Apportionment	2001 Actual	2002 Actual	2003 Actual	2004 Budget	2005 Budget
City	\$ 26,257,639	\$ 27,418,190	\$ 28,004,767	\$ 28,111,450	\$29,532,807
VTAE	5,498,876	5,839,202	6,176,522	6,183,265	6,310,163
Schools	28,700,544	27,701,334	28,249,470	29,904,077	31,036,260
State	617,029	651,434	696,839	728,084	767,301
County	14,103,437	15,507,509	15,834,707	15,942,915	16,118,113
TIF Districts	3,030,564	3,953,255	4,557,093	4,771,889	5,376,832
Total - All Portions	\$78,208,089	\$81,070,924	\$83,519,398	\$85,641,680	\$89,141,476
Less State Credits	4,586,896	4,657,410	4,462,806	4,301,871	4,168,183
Net Tax Levy	\$73,621,193	\$76,413,514	\$79,056,592	\$81,339,809	\$84,973,293

Fig. 3: CERTIFIED APPORTIONMENT OF PROPERTY TAXES



TAX LEVY

Table 4: TAX LEVY/\$1,000 ASSESSED VALUE

Tax Levy	2001 Actual	2002 Actual	2003 Actual	2004 Budget	2005 Budget
City	9.2553	9.4367	8.5695	8.3167	8.5035
VTAE	1.9382	2.0097	1.8900	1.8293	1.8169
Schools	10.1179	9.5189	8.6308	8.8317	8.9156
State	0.2090	0.2132	.2016	.2034	.2109
County	5.0262	5.3663	4.8479	4.7183	4.7299
Gross Tax Levy	\$ 26.5466	\$ 26.5448	\$ 24.1398	\$ 23.8994	\$ 24.1768

Outagamie County/Appleton Area School District only.

The State estimates the total market value of properties within each taxing jurisdiction, which is called the equalized value. The equalized values are used to determine what portion of the County, School District and Technical College levies will be paid by each community.

The assessed values are used to determine how much of the community's total levy is paid by each property owner. For example, a person who owns 1% of a community's assessed value will pay 1% of the taxes. Increases or decreases in assessed value with no additional property added or demolished will change the individual's share of the property tax levy only.

CITY OF APPLETON – 2005 BUDGET EXECUTIVE SUMMARY

If the total property remains stable, increases in the levy will result in increased assessed rates. Appleton has had a 10.35% increase in net new construction from 2001 to 2005, while the tax levy has increased by 12.47%.

GENERAL FUND SOURCES OF REVENUE

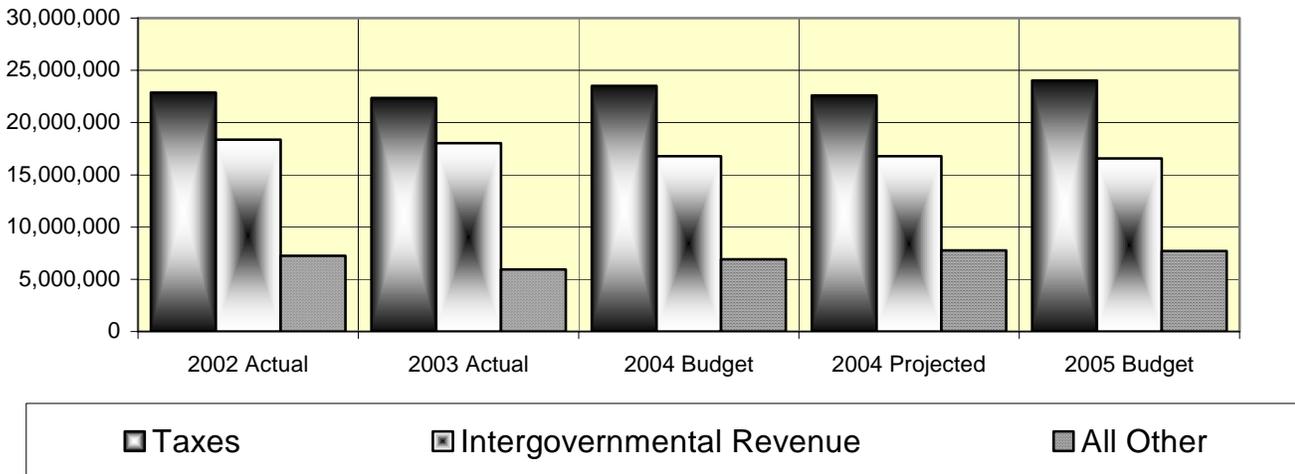
The General Fund, which accounts for the day-to-day functioning of city government, is supported by revenue from a variety of sources, including the property tax.

Table 5: GENERAL FUND SOURCES OF REVENUE

Source	2002 Actual	2003 Actual	2004 Budget	2004 Projected	2005 Budget
Taxes	22,868,041	22,365,810	23,522,928	22,596,576	24,042,115
Intergovernmental Revenue	18,373,064	18,043,299	16,778,005	16,778,005	16,559,409
Licenses and Permits	884,000	857,425	872,250	897,900	818,500
Special Assessments	1,599,912	1,097,997	1,611,000	1,611,000	1,417,000
Fines and Forfeitures	355,125	277,692	375,000	340,000	360,000
Interest Income	1,627,303	-28,167	1,400,000	1,125,000	1,127,000
Charges for Services	1,550,236	1,694,585	1,470,404	1,650,000	1,480,410
Other Revenue	813,435	797,895	995,884	1,003,041	771,143
Total General Fund Revenue	\$48,071,116	\$45,106,536	\$47,025,471	\$46,001,522	\$46,575,577
Other Financing Sources	420,992	1,255,185	186,950	1,127,678	1,731,276
Total Revenue & Other	\$48,492,108	\$46,361,721	\$47,212,421	\$47,129,200	\$48,306,853

The largest single source of funding for General Fund operations is the property tax, which will provide \$23,626,615 or approximately 49% of revenues in 2005. The next largest is intergovernmental transfers, of which \$12,743,514 is from the State government under the State Shared Revenue and Expenditure Restraint programs. These two programs combined are down from \$14,029,616 in 2003, a decline of 9%. Overall, Intergovernmental Revenue, which also includes State aids for street reconstruction, accounts for approximately 34% of revenues (down from 39% in 2003). The remaining 17% of revenues will come from various other sources, as illustrated above.

Fig. 4: GENERAL FUND SOURCES OF REVENUE



GENERAL FUND EXPENDITURES

The General Fund accounts for the day-to-day functioning of city government, including maintenance of certain City-owned facilities and street maintenance and reconstruction projects.

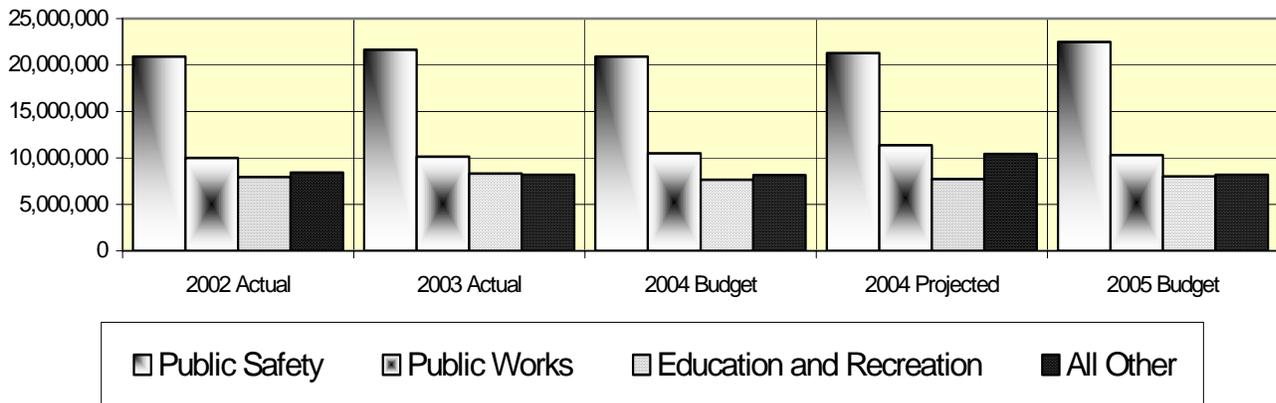
CITY OF APPLETON – 2005 BUDGET EXECUTIVE SUMMARY

Table 6: GENERAL FUND EXPENDITURES

Expenditures	2002 Actual	2003 Actual	2004 Budget	2004 Projected	2005 Budget
General Government	6,071,805	5,946,565	6,897,783	7,830,186	6,945,471
Community Development	840,388	888,815	731,246	759,614	753,047
Education and Recreation	7,924,536	8,329,326	7,669,986	7,716,543	7,965,174
Public Works	9,989,641	10,139,441	10,488,718	11,354,752	10,319,154
Public Safety	20,894,921	21,629,621	20,910,089	21,302,677	22,417,433
Total Expenditures	\$45,721,291	\$46,933,768	\$46,697,822	\$48,963,772	\$48,400,279
Other Financing Uses	1,510,967	1,348,160	514,599	1,839,457	576,574
Total Expenditures & Other	\$47,232,258	\$48,281,928	\$47,212,421	\$50,803,229	\$48,976,853

The largest single expenditure for the General Fund is for public safety, which in 2005 accounts for approximately 46% of General Fund expenditures. Of that total budgeted expenditure for 2004, approximately 58% is for police protection, 38% for fire protection, and the balance for public health. The next largest portion of the budget (approximately 21%) is spent on public works, which includes street and sidewalk repair and reconstruction, traffic administration, street lighting, and snow removal. General Government and Education and Recreation expenditures account for approximately 14% and 16% of General Fund expenditures, respectively.

Fig. 5: GENERAL FUND EXPENDITURES



GENERAL GOVERNMENT

Included in General Government are the legislative, administrative, and service functions, which contribute to the overall business operations of the city.

Table 7: GENERAL GOVERNMENT EXPENDITURES BY DEPARTMENT

General Government Expenditures	2002 Actual	2003 Actual	2004 Budget	2004 Projected	2005 Budget
Common Council	127,855	125,040	127,287	127,287	125,954
Mayor	272,676	317,137	207,213	207,213	298,260
City Clerk	676,868	542,770	642,521	713,721	584,066
City Assessor	413,611	428,937	425,901	426,501	475,669
Finance	808,797	843,357	827,012	846,675	832,216
Technology Services	1,666,894	1,653,701	1,570,827	1,664,825	1,690,552
Human Resources	508,939	547,606	564,875	568,675	579,189
City Attorney	383,927	401,207	399,104	399,104	370,312
Unclassified	1,212,238	1,086,810	2,133,043	2,876,185	1,989,253
Total - General Government	\$6,071,805	\$5,946,565	\$6,897,783	\$7,830,186	\$6,945,471

CITY OF APPLETON – 2005 BUDGET EXECUTIVE SUMMARY

The Common Council

The legislative powers of the City are vested in the Council with the responsibility of establishing policy, adopting an annual budget and service plan and carrying out the duties defined by State Statutes and City Ordinances.

The Mayor's Office

The Mayor's Office is ultimately responsible for coordination of the day-to-day operations of the City and the pursuit of initiatives to ensure accountable, affordable, and accessible government. Programs within the Mayor's Office include:

- Administration - the general management and oversight of City operations
- Citizen Outreach - including the Applesource newsletter, representation of the City at various public functions, and general communication with the citizens of Appleton
- Intergovernmental - working with other local governments in our area and with intergovernmental organizations such as the Wisconsin Alliance of Cities, the League of Wisconsin Municipalities, and the East Central Wisconsin Regional Planning Commission

The 2005 budget includes the addition of the position of Construction Manager (\$87,075) to oversee various City construction projects. The budget also reflects the elimination of the position of Executive Assistant to the Mayor, which was unfunded in the 2004 budget, and continuing the semi-annual frequency of the Applesource newsletter.

City Clerk

The Office of the City Clerk is the center of document retention and distribution for the City of Appleton.

Responsibilities include:

- Managing the retention and retrieval of all official City documents and compliance with the open records and open meetings laws
- Administration of all municipal elections, including coordination and certification of nomination papers and financial statements for candidates
- Providing secretarial and research support to the City Council
- Serving as information distribution center and providing centralized mail and copy services for all City departments
- Maintaining weekly schedule of meetings, publishing all legal notices in the official newspaper and keeping open lines of communications with the news media
- Administering oaths, receiving and recording petitions, claims, lawsuits and official notices
- Issuing over 30 types of Licenses and Permits as prescribed by state law and City ordinances
- Coordinating and issuing special events licenses
- Acting as the official keeper of the City Seal

Fluctuations in the budget for the Clerk's Office are primarily the result of the number of elections scheduled in any given year, including Mayoral, Presidential, Congressional and State elections. In 2005, there will be two elections. During 2004, the City Clerk's Office has made significant progress in electronic records management and website information. Efforts will continue in 2005, along with an investigation of electronic distribution of information to Common Council members. Also in 2005, the City Clerk's Office will take on mailing responsibilities for the Library, at a projected net savings to the City of \$5,500.

City Assessor

The City Assessor is currently an elected official who performs assessment and property listing duties (maintaining ownership, legal descriptions, addresses, etc) for the city. In 2004, voters elected a new City Assessor and approved a referendum making the position appointed rather than elected in 2008, at the expiration of the term of the current City Assessor.

The Assessor's office works diligently to maintain assessed property values at 100% of market value to ensure the most equitable distribution of the property tax burden. This is done by reassessing each property on a four year cycle using in-house staff. The Assessor's Office also inspects and assesses all new residential and commercial construction, building permit work, and reviews sales properties annually. The 2004 locally assessed value increased \$132,883,500 over the 2003 value. This included approximately \$75,000 in new annexation value, \$2.9 million in value that was formerly exempt (this includes \$630,200 of land in the Northeast Business Park and \$382,600 of land on Water Street along the Fox River), and \$86.5 million in new construction value. We also had

CITY OF APPLETON – 2005 BUDGET EXECUTIVE SUMMARY

approximately \$600,000 in property value come off the assessment roll. A good portion of this value was the transition to tax exempt status of properties owned by the Housing Partnership.

Public relations and education regarding assessment and tax issues is another important responsibility of the Assessor, as are timely and accurate responses to requests for information from property owners and the general public regarding assessment questions. Through the Open Book process and the Board of Review, the Assessor provides a forum for individual property owners to question their property assessments and ensures that those assessments are fair and equitable.

Major goals for 2005 include completing the review of commercial property assessments (commercial properties in the Central Business district were reviewed in 2003 and apartments in 2004; approximately 1,000 properties remain to be reviewed). This is in addition to the normal routine of residential and commercial new construction, permits, sales reviews, annexations and exemption requests. All residential property will be reviewed and revalued in 2006.

Finance Department

The City of Appleton Finance Department is responsible for providing professional financial management services as mandated by state statute and required by the Common Council, the Mayor's Office, City departments, and other governmental units. Specific responsibilities include:

- Timely financial reporting to the Common Council, the financial community, and federal and state agencies
- Coordination of the annual City audit
- Providing an efficient, centralized collection location for convenient payment of all City-generated billings
- Serving as the collection point for all payroll data and monitoring the processing of the City's payroll and related reports to ensure compliance with the City personnel policies and government regulations
- Producing timely payments to employees and vendors for contracted obligations to maintain a high level of credibility
- Accounting for real and personal property taxes in a timely and efficient manner at the least possible cost
- Maintaining parking ticket records and issuing reminder and state suspension notices to ensure that the proper amount is billed
- Providing administration of the City's accounts receivable and collection functions (NSF, small claims, special assessments)
- Providing accurate service invoices for the City and producing reminder notices for delinquent accounts to sustain an adequate cash flow
- Leading the City's implementation of performance measurement
- Leading the City's implementation of centralized purchasing

A major goal for 2005 is the implementation of electronic payment options for City services other than the automatic funds transfer option which already exists for water, sewer, and stormwater charges.

Technology Services

The Technology Services Department (TS) provides all City departments with reliable, timely and accurate technology services that are both cost effective and responsive to departmental needs. The department manages the City's AS400 computer, its attendant software, and the personal computer network, including computers installed in Police and Fire vehicles. Technology Services also provides management, coordination and support for the City's Geographic Information System (GIS), telephone and voicemail systems, Internet connectivity, and the City's web pages, as well as coordination and support of various projects involving electronic technology (e.g. installation of security cameras and electronic locking systems).

The completion in 2003 of the transition to a fiber optic network to all City-owned buildings has permitted the elimination of leased data lines as the contracts on those lines expire, resulting in significant savings to the City. The additional bandwidth provided by the fiber optic network allows for the possibility of converting to a telephone system that will utilize that network, with a further reduction of leased telephone lines. A major goal for 2005 is the first phase of that transition, which is expected to save \$50,000 per year in monthly telephone line charges.

Other major projects planned for 2005 include continued development of the GIS, continued support and development of the entire City computer network, and work with the Finance Department to establish electronic means of payment for City invoices.

CITY OF APPLETON – 2005 BUDGET EXECUTIVE SUMMARY

Human Resources

The Human Resources Department (HR) is responsible for providing departmental support in meeting the City's organizational needs. Specific responsibilities include:

- Classification & compensation
- Performance evaluations
- Recruitment
- Development and administration of policies
- Record retention/administration
- Fringe benefits administration
- Employee and labor relations
- Staff training and development
- Supervisory training and development

The department is also responsible for administration of the City's self-insurance program, including claims administration, liaison with the City Attorney's office in legal actions, and provision of training for risk reduction. See the Internal Service Funds section below for a further discussion of the Risk Management Fund.

A major change for 2005 is the HR department's assumption of recruiting and hiring responsibilities for the Police department. These activities have previously been carried out by the Police department itself, with the aid of an officer in the Resource Development Unit (RDU). Transfer of these activities to HR enables the Police department to eliminate that officer position and does not entail any additional staff in HR. Transfer of these activities to HR was planned for 2004 but, due to a position vacancy in HR, was unable to be completed.

City Attorney

The mission of the office of the City Attorney encompasses two general areas: (1) representing the City in civil and quasi-criminal proceedings; and (2) serving as legal advisor to the City, its agencies, officials and, in some instances, its employees. More specifically, these missions include:

- Prosecuting and defending claims and lawsuits for and against the City, its officials, and its employees according to law
- Prosecuting ordinance and traffic violations in Outagamie County Circuit Court
- Providing legal services to City-owned utilities
- Serving as in-house counsel for the Police Department

As legal advisor to the City, the office of the City Attorney prepares documents and instruments, drafts legislation, renders formal and informal legal opinions, and performs such other services as required by law. A major change for 2005 is the incorporation of one third of the City Attorney's time to the Risk Management fund, to properly account for his involvement with the Claims Committee.

Unclassified City Hall

Included are various expenditures which are not program or department-specific. Examples include reserves and contingencies, particularly the reserve for wage settlements under collective bargaining agreements currently under negotiation, City Center facility expenses, and miscellaneous expenditures such as insurance and retiree pension payments.

COMMUNITY DEVELOPMENT

The efforts of the Planning and Economic Development Departments form the basis of the City's community development activities. Other community development activities of the City include the building inspections function of the Public Works Department.

CITY OF APPLETON – 2005 BUDGET EXECUTIVE SUMMARY

Table 8: COMMUNITY DEVELOPMENT EXPENDITURES

Community Development Expenditures	2002 Actual	2003 Actual	2004 Budget	2004 Projected	2005 Budget
Planning	438,744	479,176	386,718	411,086	404,680
Economic Development	401,644	409,639	344,528	348,528	348,367
Total – Community Development	\$840,388	\$888,815	\$731,246	\$759,614	\$753,047

Planning

The Appleton Planning Department serves the community (both internal and external customers) with land use development coordination, local regulation administration, comprehensive planning promotion, and special project management in order to enhance the quality of life and the economic vitality of Appleton.

The Planning Department provides current, long range, and historic planning and technical data services to Appleton's residents. Specific near-term goals include the following:

- Promote the philosophy of the VISION 20/20: Comprehensive Plan in all development reviews and via development of implementation plans
- Facilitate thought provoking dialog and coordinate review on all development projects in the City of Appleton between all City departments
- Provide technical information regarding development trends and projections to aid other departments in their daily and long range operations
- Coordinate and implement the Focus Fox River riverfront master plan. Produce development plans and implementation plans to ensure a logical and sound utilization of the riverfront corridor
- Provide support for the Design Review Commission

Significant accomplishments for 2004 include the expansion of the "permit hold" and "contact report" concepts to encourage and facilitate communication between the Planning Department and other City departments regarding contacts with developers, restrictions on sites which must be met before permits can be issued, etc.

Economic Development

Appleton's Economic Development Department administers programs and provides resources to promote Appleton as a leader in the Fox Cities, enhance and diversify the tax base, and improve the quality of life for Appleton's citizens. Specific programs of the Economic Development Office include:

- Marketing - comprised of activities conducted to promote the City of Appleton for private investment and development. Included are advertising, creation and distribution of promotional materials, and liaison functions with various development-related organizations as the City's representative.
- Business Retention - comprised of activities undertaken to maximize the City's likelihood of retaining its businesses. Among the sub-programs are business retention visits, business recognition awards, database maintenance, and assistance with securing non-City support.
- New and Redevelopment Projects - comprised of activities undertaken to assist the development community in its efforts to commence development initiatives in the City of Appleton. Development coordination, prioritization, and direction are among the functions performed within this program. Economic Development serves as the executive director and staff to the Appleton Redevelopment Authority and as City representative to various development-related organizations.
- Business Park - This program is comprised of activities conducted to plan the City's industrial and business parks, market these parks, and maintain City-owned property awaiting sale.
- Housing and Neighborhood Initiatives - comprised of activities which encourage, facilitate, and implement the improvement, preservation, and revitalization of physical properties and neighborhoods. Included within this program are the Housing Rehabilitation and the Neighborhood Revitalization sub-programs. This program requires the involvement of residential and corporate citizens to produce the safest, strongest, most stable, cohesive, and livable residential environments.

CITY OF APPLETON – 2005 BUDGET EXECUTIVE SUMMARY

The Economic Development Department has worked closely with developers on the initial and final stages of several high profile projects in 2004. Targeted redevelopment areas such as the Downtown, the Riverfront, and Wisconsin Avenue have seen positive changes. Along the Riverfront, the J Restaurant opened in February, progress is continuing on the Vulcan Heritage Park, the Paper Discovery Center and the adjacent office building are nearing completion, and the former Valmet site is now clear of environmental concerns and ready for development. On Wisconsin Avenue, the Department is working with residents and business owners to develop a cohesive tone that will better identify advantages of this commercial corridor. Early in the year, Council approved a development agreement providing for TIF funding for the Valley Real Estate Trust Project at Wisconsin Avenue and Mason Street. This project will add to the retail offerings on Wisconsin Avenue. Finally, in the Downtown, the long awaited opening of Richmond Terrace has occurred, providing an additional 150 residential units within walking distance of College Avenue. Other high profile projects in the Downtown area include the Copper Leaf Hotel, the large format theater, and the purchase of the Thrivent building by local developers.

EDUCATION and RECREATION

City funded educational and recreational opportunities include the Appleton Public Library and the City's network of parks and program of recreational activities, classes, and organized sports.

Table 9: EDUCATION AND RECREATION EXPENDITURES

Education and Recreation Expenditures	2002 Actual	2003 Actual	2004 Budget	2004 Projected	2005 Budget
Library	3,667,331	3,841,716	3,672,285	3,707,842	3,831,298
Parks & Recreation	4,257,205	4,487,610	3,997,701	4,008,701	4,133,876
Total - Education and Recreation	\$7,924,536	\$8,329,326	\$7,669,986	\$7,716,543	\$7,965,174

Library

The Library provides a collection of circulating materials as well as reference and information service, programs for all ages, public computing, and public access meeting rooms.

2004 accomplishments have included:

- Continued implementation of the long range plan, with the adoption of a new three year plan
- Work with Town of Greenville to explore establishment of a joint library
- Increased library usage:
 - 35% increase in number of holds (items reserved) filled for library materials
 - 45% increase in public access workstation use
 - 8% increase in website use (on top of a 30% increase in 2003)

Major 2005 objectives include:

- Continue implementation of long range plan & coordinate with City planning efforts
- Seek ways to increase cooperation with schools & other community organizations
- Address building infrastructure & furnishing concerns
- Continue to seek increased efficiency and improved service by automating circulation routines
- Be responsive to needs for electronic services, particularly in areas of local history and community information
- Maintain awareness of library as community center and assess impact of downtown issues
- Maintain high quality library services, including circulation, reference & readers' advisory programs, public meetings, etc.,

The 2004 Budget included a \$70,000 reduction in part-time staff resulting from a reduction in Library hours of approximately 14 hours per week during the school year and five hours per week during the summer. The carryover of unspent 2003 budget dollars and reallocation of funds from temporary position vacancies eventually allowed the restoration of those hours. The 2005 budget continues funding for the restored Library hours and reflects the transfer of responsibility for outgoing mail to the City Clerk's Office, at a projected net savings to the City of \$5,500.

CITY OF APPLETON – 2005 BUDGET EXECUTIVE SUMMARY

Parks and Recreation

The Parks and Recreation Department (APRD) is responsible for maintaining Appleton's parks and recreational facilities and for administering City recreational programs. Specific objectives of the department include:

- Providing administrative services and support staff for the management of the recreation, parks, forestry and golf course divisions of the department
- Providing an urban forestry program to create a safe environment, enhancing natural beauty while striving to promote and preserve the City's urban forest, including continuing a cost effective gypsy moth control program and replacing diseased and storm-damaged trees
- Providing quality athletic fields for APRD youth/adult programs, casual/sandlot play, public and/or parochial school teams, and not-for-profit organized youth/adult sport programs
- Providing and maintaining parks, open spaces, and recreational facilities for use by the community
- Providing support services for other City departments and community events
- Maintaining trails and non-park City property for safe use by the public and the beautification of the city
- Providing year-round recreational opportunities for youth and adults in sports and leisure activities
- Providing swimming pool facilities, recreational swimming opportunities, and instructional services on a year-round basis

The major goal for the department for 2005 is to continue to evaluate the program adjustments made in 2004 and to readjust as needed to continue to meet community needs as effectively and efficiently as possible.

PUBLIC WORKS

The Public Works Department is responsible for building and maintaining the City's infrastructure. Public Works programs which are part of the General Fund include engineering services for City construction/reconstruction projects, street and sidewalk reconstruction, traffic administration and control, street lighting, street maintenance, snow removal/ice control, and building inspections.

Table 10: PUBLIC WORKS EXPENDITURES

Public Works Expenditures	2002 Actual	2003 Actual	2004 Budget	2004 Projected	2005 Budget
Public Works	\$9,989,641	10,139,441	\$10,488,718	\$11,354,752	10,319,154

Public Works

Capital projects are identified based on age and condition and are prioritized and coordinated with capital projects for all infrastructure to minimize inconvenience to the users and manage costs. A programmed growth and replacement schedule is established to minimize budgetary fluctuations.

Programs of the department which fall under other funding sources include the Sanitation Fund; the Central Equipment Agency; the Parking and Stormwater Utilities; the water distribution meter program and water main maintenance within the Water Utility; sanitary sewer maintenance within the Wastewater Utility; and new street and sidewalk construction in various Capital Projects Funds.

The 2005 budget reflects a two-year contract settlement with the Teamster bargaining unit, members of which make up the majority of the staff of the Public Works department.

PUBLIC HEALTH and SAFETY

The Public Safety aspects of City government consist primarily of the health, police and fire departments, though there are many other factors to public safety, including adequate street lighting and traffic control, adequate recreational outlets, etc.

CITY OF APPLETON – 2005 BUDGET EXECUTIVE SUMMARY

Table 11: PUBLIC HEALTH and SAFETY EXPENDITURES

Public Health and Safety Expenditures	2002 Actual	2003 Actual	2004 Budget	2004 Projected	2005 Budget
Health Services	936,462	986,475	1,015,785	1,048,781	1,035,083
Police	12,198,139	12,715,741	12,074,521	11,885,578	12,860,985
Fire	7,760,320	7,927,405	7,819,783	8,368,318	8,521,365
Total - Public Safety	\$20,894,921	\$21,629,621	\$20,910,089	\$21,302,677	\$22,417,433

Health Services

It is the mission of the Appleton Health Services Department to safeguard the environment, promote public health, and protect consumers in the community by providing high quality services responsive to the needs of the people. The department has three main programs; public health nursing, environmental health, and weights and measures.

The objective of public health nursing is to prevent the occurrence and spread of disease in the community through disease investigation, intervention, and partner notification; immunization against vaccine preventable diseases; investigation of elevated childhood blood lead levels; data collection; coordination with other area providers and the State; and public education.

Through the environmental health program, the department works to prevent the occurrence and spread of disease in the community through regulating and inspecting public eating/drinking establishments, retail food establishments, recreational facilities, and massage and tattoo establishments. The department's environmental health staff also assesses, consults, and works to correct human health hazards including lead paint, solid waste, housing sanitation, potential rabies exposure, and vector control; provides public education; and acts as a referral mechanism to other state and local agencies for information on environmental and safety hazards.

The weights and measures inspectors provide consumer protection through complaint investigation, measurement and weighing device testing, price scanning system inspection, product checkweighing, and label verification. They also monitor business methods to prevent fraudulent advertising and trade practices and provide investigative services for the City Clerk's Office in licensing and regulating going out of business sales, commercial solicitors, and second hand and salvage dealers. The 2005 budget reflects the expansion of a program begun in mid-2003 of providing weights and measures certification services to surrounding communities. The communities are charged a fee which offsets the additional cost of staff time to provide the service. Seven area communities now participate in the program, purchasing a total of 113 days of certification services, compared to 77 days in 2004, the first full year of the program.

Police

The Appleton Police Department is a community responsive law enforcement organization that strives to bring its employees into working partnerships with citizens to identify and resolve community problems. We strive for excellence in police service by providing our employees with a positive, supportive and professional environment that encourages innovative problem solving to enhance the quality of life in our community.

Significant events in 2004 include:

- Investigated the feasibility of establishing a joint City-County justice center to meet the space needs of both the Appleton Police Department and the Outagamie County Sheriff's Department. This option was ultimately rejected by Outagamie County so the Appleton Police Department will pursue a separate building project.
- Began implementing recommendations made by the radio consulting firm, Elert & Associates, to improve radio communications within the City of Appleton.
- A budget adjustment was approved to transfer \$50,000 from Police to Information Services for the replacement of 25 Mobile Data Computers (MDC) with limited operational ability. Technology Services (TS) will budget for replacement of the remaining 28 MDC's for 2005. The MDC's would then be placed on a four-year replacement cycle that would be managed and budgeted by TS.

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- The Intercultural Relations Coordinator lead the collaborative effort for the Hmong Refuge Resettlement effort.
- Organizational and scheduling changes were made to provide adequate coverage in the patrol district due to the unusual number of sworn vacancies.

Specific objectives for 2005 include:

- Transfer of the recruitment function to the Human Resource (HR) Department. Transfer of these activities to HR was planned for 2004 but, due to a position vacancy in HR, was unable to be completed. One sworn officer position in the Resource Development Unit (RDU) will be eliminated as a result. In addition, the four sworn officer positions that were not funded during 2004 will be eliminated, along with a vacant CSO III position and the vacant part-time unbenefitted Accreditations Specialist position.
- Implement a law enforcement records management system as part of the FoxComm initiative to share records across all law enforcement agencies in the counties of Outagamie, Calumet, Brown and Winnebago.
- Continue to assess City and regional communication needs including additional channels, receivers, transmitters, etc.

The 2005 budget reflects a two-year contract settlement with the Appleton Police Protective Association (APPA).

Fire

The Appleton Fire Department is organized to provide a broad range of programs designed to protect the lives and property of the citizens of the City of Appleton from fires and other dangers, both naturally occurring and artificially created. The department also provides a Regional Hazardous Materials Response Team (Level A), which is discussed in the Special Revenue Funds section following.

Major accomplishments in 2004 include:

- Upgrading equipment with the delivery of a heavy rescue vehicle and a replacement pumper
- Receiving grant funding from Wisconsin Emergency Management to train City employees on the Incident Command System
- Moving to unit dispatching via the computer-aided dispatch system, which recommends appropriate apparatus based on geographic location and incident needs
- Continuing a program of providing guidance to citizens in child car seat installation, which in turn creates an opportunity to provide fire and life safety education to a group that is otherwise difficult to reach

In 2005 the Appleton Fire Department will strive to meet the City of Appleton's goals by:

- Improving awareness of changing community needs and diverse community populations and their effect on our levels of service and programs
- Maintaining identified levels of service in a cost-effective manner by providing quality programs to our community
- Providing a quality work environment which both encourages and enhances employee participation and growth

The 2004 Budget reflected not funding replacements for two retirements which were expected to occur in 2004 (\$123,167). Money to fill those vacancies came from unexpended personnel dollars in the 2003 budget that were carried over to 2004. The 2005 budget includes funding for both positions and also reflects a two-year contract settlement with the APFA bargaining unit.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of special revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes.

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Table 12: SPECIAL REVENUE FUNDS EXPENDITURES

Special Revenue Funds	2002 Actual	2003 Actual	2004 Budget	2004 Projected	2005 Budget
TIF District # 1	665,825	571,190	499,248	505,018	443,285
TIF District # 2 *	94,478	105,340	126,925	128,446	147,752
TIF District # 3 *	5,105,337	4,506,811	3,846,382	3,844,172	2,577,049
Sanitation	3,427,055	3,567,773	3,432,994	3,518,794	3,759,589
Haz Mat Level A	157,638	70,627	79,851	197,408	85,601
Health Services Grants	121,743	374,053	590,124	590,124	529,822
Forestry	82,500	45,104	30,000	30,000	30,000
Housing & Community Development	1,129,868	1,275,174	1,253,401	1,253,401	1,433,662
Room Tax Administration	187,991	189,810	168,000	197,354	193,090
Union Spring Park	0	181	400	400	400
Tuchscherer Disability Fund	6,391	6,391	6,391	6,391	6,391
Peabody Estate Trust	0	0	0	0	0
Balliet Locomotive	0	250	250	250	1,100
Lutz Park Trust	0	0	50,000	50,000	180,000
Park Open Space	0	0	0	0	0
Universal Playground Trust	0	0	0	0	1,500
Prior Projects	19,706	25,667	0	0	0
Total - Special Revenue Funds	\$10,998,532	\$10,738,371	\$10,083,966	\$10,321,758	\$9,389,241

Note: TIF #2 was classified as a capital projects fund prior to May 1, 2001 and TIF #3 prior to November 4, 2003.

Tax Incremental Financing District (TIF) # 1

This program accounts for the receipt of district "incremental" property taxes and other revenues, along with the corresponding program expenditures.

TIF #1 includes the general area of downtown College Avenue, Richmond to Drew, and Lawrence to Franklin. Created in 1980, its primary projects include site preparation for the Paper Valley Hotel, Landmark Square and the Avenue Mall.

The district fund has paid all of its general obligation debt and is now repaying advances made by the general fund to the district in its initial years.

TIF District # 2

This program accounts for the receipt of district "incremental" property taxes and other revenues, along with the corresponding program expenditures. TIF #2 includes most of the area within the "Industrial Flats," from Lawe Street to Memorial Avenue and from South River Street to Water Street. Primary projects include the Historic Fox River Mills apartment conversion and Vulcan Heritage Park development projects. May 1, 2001 was the final date by which Appleton could make expenditures within this District and recover them with tax increment revenues, per state statute.

TIF District # 3 - Downtown

Tax Incremental District #3 includes the area bounded by Richmond and Durkee Streets, from the County Courthouse to the Morgan Alternative High School. Primary projects include the Washington and East Parking Ramps, the Paper Valley Hotel expansion, the Evan's Title building, Crescent Place, and the Richmond Terrace

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building. November 4, 2003 was the final date by which Appleton could make expenditures within this District and recover them with tax increment revenues, per state statute.

Sanitation

The Department of Public Works Sanitation Division is responsible for the collection of solid waste, its transportation to the Outagamie County Landfill for disposal, and management of the residential recycling contract to insure performance to contract required service standards. This program also includes economically meeting the needs of the community for brush and yard waste disposal, complying with environmental regulations pertaining to solid waste and recycling and maintenance and monitoring of the Mackville Landfill to insure compliance with Department of Natural Resources requirements.

The 2005 Budget includes a two-year contractual settlement with the Teamster bargaining group, members of which make up the majority of the staff of the Sanitation Division.

Haz-Mat Level A

The Cities of Appleton and Oshkosh have an agreement with the State of Wisconsin to provide certain "Level A" services relating to the containment of hazardous substances in the event of an accidental spill, release, or discharge within all or portions of a nineteen-county response region of northeast Wisconsin. Hazardous Materials Level A emergency response includes the provision of all necessary emergency services to protect life and property from a release of a hazardous material. In addition, during 2004 the Appleton Fire Department worked with the cities of Green Bay, Oshkosh, Neenah and Menasha to obtain a grant through the Department of Homeland Security to establish and train a regional structural collapse team.

Health Services Grants

In addition to its various responsibilities previously described in the Public Safety section above, the Health Services Department administers several grants from various funding sources. These are:

- MCH Grant - The Maternal/Child Referrals received by the department continue to be complex, involving multiple family issues and health problems. Cases include failure to thrive, alcohol and other substance abuse, mental illness, developmental disabilities, abuse and neglect, and teen and single parent households.

Early and frequent nursing intervention has been documented in research studies to positively impact the outcome of parenting and child development. In 2005, this program will provide approximately 24 women and children with prenatal and child care coordination services.

- Vaccine Improvement Plan Grant – The focus of the grant program in year 2005 will be to improve vaccination rates in children 2 years and under. Collaborative efforts continue with both public and private health care providers. This program benefits approximately 2,000 children each year and, in 2003, helped to limit the cases of vaccine preventable disease in our area to twelve.
- Prevention Grant - The department has partnered with the Appleton Area School District (AASD) to assist in tobacco prevention at the elementary school level. Prevention materials and training will be provided to teachers interested in tobacco prevention activities.
- CDC Lead Poisoning Prevention Grant – Strategies including lead assessment and abatement, lead screening, individual and community education, and case management have been utilized in this program to reduce the incidence and impact of lead poisoning. All children with elevated blood levels of lead who have benefited from this program have shown progressive declines in blood lead levels in the 12 months following the first home visit.
- Bioterrorism Grant - The City receives grant funding to support training to deal with the effects of bioterrorism. In addition, the Appleton Health Department serves as fiscal agent and has hired staff to support the Fox Valley Public Health Preparedness Consortium, which is one of 12 consortium regions in the state working to ensure a quick, effective and coordinated response to public health emergencies. While the threat of a terrorist incident has been the driving force in these response plans, they are equally effective in any public

CITY OF APPLETON – 2005 BUDGET EXECUTIVE SUMMARY

health emergency, whether it is the result of violent weather, an unexpected disease outbreak, or a hazardous materials accident that may pose a threat to the community.

Forestry

The purpose of this fund is to account for City efforts to promote and preserve Appleton's urban forest.

Effective 2004, the purchase of terrace trees for new subdivisions will be financed through the subdivision fund, resulting in a \$15,000 expenditure decrease in the special revenue fund for forestry from previous years. 2005 increases in donations are for an Arbor Day Program at the sports complex and the pursuit of alternate sources of funds to maintain current replacement levels of trees. There is a \$5,000 reduction in tax levy dollars for this fund so, if alternate sources are not secured, replacements would be reduced.

Housing and Community Development Grants

The following grant funded programs are intended to benefit low and moderate income households and eliminate slum and blight.

Below are the specific objectives of each of these programs:

- Emergency Shelter Grant (ESG)
 - Homeless prevention
 - Provide essential services and emergency shelter
- HOME Investment Partnership Program - Renter Moderate Rehabilitation (HOME)
 - Improve Appleton's rental housing stock
- Community Development Block Grant (CDBG) & HOME Investment Partnership Program - First-Time Homebuyer (HCRI/HOME)
 - Improve Appleton's housing
 - Strengthen community services
 - Revitalize selected target areas
 - Address health and safety issues
 - Plan and administer programs effectively
- Continuum of Care Grant
 - Provide case management and support services to the chronically homeless

Room Tax Administration

The purpose of this fund is to account for receipt of room tax proceeds and the corresponding transfers to the Fox Cities Convention and Visitors Bureau and to the General Fund for administrative costs. Funds for administration of the room tax for the Performing Arts Center are also accounted for in this fund. Payments are made directly from the hotels to a bank trust account from which they are then distributed to the PAC.

Tuchscherer Disability Trust

To account for moneys received by the City in an employee disability settlement, and the corresponding expenditures for such purposes. The City's obligation under this trust is partially offset by the investment income. It is expected that this fund possess the resources to meet future required payments.

Peabody Estate Trust

To account for moneys received from a private donation to finance the repair, construction, and preservation of Peabody Park, and the corresponding expenditures for such purposes. No major projects are scheduled for 2005.

Balliet Locomotive Trust

To account for moneys provided by private donations to finance the maintenance of a locomotive located in Telulah Park and the corresponding expenditures for such purposes. Refurbishment, including painting and replacing the plexiglass in the engineer's compartment, are planned for 2005.

Lutz Park Recreational Trust

To account for moneys received from private donations to finance the construction and preservation of the recreational facilities at Lutz Park, and the corresponding expenditures for such purposes.

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The 2005 budget includes funds to address the boat launch repairs and shoreline stabilization at Lutz Park. It is anticipated these improvements will be coordinated with projected improvements by the adjacent Appleton Yacht Club and in coordination with the development of a trail between Lutz and Vulcan Heritage Parks. It is also anticipated that the money designated for these improvements will be used to leverage other grant funds available for shoreline protection, waterway access, etc.

Park Open Space Fund

To account for moneys received from subdivision developers to finance future acquisition and development of park facilities and the corresponding expenditures. No major projects are scheduled for 2005, however the City of Appleton needs to be ready to address opportunities that may arise during the year.

Union Spring Park

To account for moneys received from private donations to finance the maintenance of the well at Union Springs Park and the corresponding expenditures.

Prior Projects

Prior projects consist of the Olde Oneida Bridge and the City Parades funds. The Olde Oneida Bridge fund was established by a transfer of money from the State of Wisconsin to provide for certain maintenance expenses related to the bridge. This transfer was made when the Oneida Skyline Bridge was constructed, thereby removing the water level bridge from the state thoroughfare network. The City Parade fund was established to account for City support of the Flag Day, Memorial Day, and Holiday parades. This fund has been discontinued and the expenses budgeted in the Mayor's budget.

DEBT SERVICE

Money is borrowed to finance a variety of capital expenditures. When interest rates fall, it is sometimes advantageous to refinance an earlier bond issue carrying a higher rate of interest with a new issue at a lower rate. In general, bonds are issued on the open market, either as General Obligation (G.O.) Notes or as G.O. Bonds. Any funds borrowed to finance investments by the various proprietary funds (i.e. the Water, Wastewater, and Stormwater Utilities, Reid Municipal Golf Course, Valley Transit, CEA, or Insurance), are accounted for and repaid from that fund. The City does not borrow for operating expenditures.

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs, excluding that payable from proprietary funds.

Table 13: DEBT SERVICE EXPENDITURES

Debt Service Funds	2002 Actual	2003 Actual	2004 Budget	2004 Projected	2005 Budget
Debt Service Funds	\$9,359,561	\$7,913,675	\$8,388,085	\$7,996,971	\$7,672,747

CAPITAL PROJECTS FUNDS

Capital Projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. Resources are derived from general obligation bond and note issues, certain federal grants, and other specific receipts.

Table 14: CAPITAL PROJECTS FUNDS EXPENDITURES

Capital Projects Funds	2002 Actual	2003 Actual	2004 Budget	2004 Projected	2005 Budget
Subdivision	1,819,731	1,239,652	1,961,007	1,963,113	1,576,399
Park & Recreation	322,913	399,416	885,000	1,026,398	610,000
TIF District # 4	1,413,923	2,659,364	2,726,253	2,963,743	1,864,614
TIF District # 5	40,552	95,622	281,299	286,373	210,312
TIF District # 6	2,964,572	2,210,738	1,828,868	1,741,540	3,404,369

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Capital Projects Funds	2002 Actual	2003 Actual	2004 Budget	2004 Projected	2005 Budget
Public Works	5,373,287	38,139	570,000	738,720	254,150
Technology Capital Projects	688,850	658,612	0	0	244,000
Industrial Park Land	148,047	323,999	239,978	387,449	846,457
CEA Replacement Fund	1,462,443	1,229,732	1,432,031	1,432,031	1,845,991
Riverfront Initiatives	16,565	540,348	0	0	0
Public Safety	281,831	397,333	1,525,000	335,521	2,820,018
Library Capital Projects	0	0	0	0	34,000
Residential Project	0	0	0	0	1,300,000
Prior Projects	4,069,513	0	0	0	0
Total - Capital Projects Funds	\$18,602,227	\$9,792,955	\$11,449,436	\$10,874,888	\$15,010,310

Subdivision

This fund will be utilized for new subdivision work only. This will include administration, engineering, sewer, water, stormwater, street lights, street signs, and street work within the subdivision. This fund will not be utilized to refurbish an existing roadway.

Effective January 1, 2003, the City ceased to front money for new subdivision development except for the following items which will be charged to the developer to be paid within 30 days of billing date:

Administrative fees	Storm sewer area assessment
Asphalt pavement and maintenance fees	Storm sewer TV
External improvements required for development	Street lights
Regional stormwater facilities	Street name signs
Sanitary sewer area assessment	Traffic control signs
Sanitary sewer TV	

The City will include other infrastructure in our public bidding process provided the Developer obtains an irrevocable line of credit from which the City has exclusive control over distribution of funds until final payment has been made to the contractor. Upon completion of the contract and any other outstanding issues, the City would release the line.

The 2005 budget includes street paving (both asphalt and concrete), sidewalk installation, and stormwater, watermain, and sanitary sewer infrastructure projects.

Park and Recreation Projects

This fund provides for a variety of Parks and Recreation capital needs. Included for 2005 is development of Derks, Providence Park and riverfront trails, renovations to Mead Pool and Pierce and Telulah Parks, and installation of playground equipment in City Park.

TIF District # 4 - Northeast Business Park

Tax Incremental District #4 includes portions of the area bounded by French Road (east), Meade Street (west), Glendale (south) and Edgewood Drive (north).

There are no capital projects planned for TIF District # 4 for 2005, however some projects from 2004 may need to be carried over to finalize.

TIF District # 5 - West Wisconsin Avenue

This fund provides for commercial redevelopment of West Wisconsin Avenue between Gillett and Bennett Streets.

The 2005 budget includes a portion of the total costs associated with site preparation, infrastructure development and general construction assistance for TIF eligible activities for a multi-family housing development along Mason Street and Kamps Avenue.

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TIF District # 6 – Southpoint Commerce Park

Primary projects include land acquisition and the installation of public utilities on unimproved property that will allow industrial development to take place in the southeast area of the City.

The year 2005 budget includes the engineering and platting for the second phase of development of the area and for general infrastructure development, including paving, sanitary sewers, water mains, and stormsewers.

Public Works

This fund provides for a variety of Public Works capital needs. For 2005, this fund will be used to account for replacement of the in-ground truck scale at the Municipal Services Building (\$88,150), repairs to the bascule bridges over the Fox River navigation canal on Olde Oneida and Lawe Streets (\$136,000), and design work for the eventual replacement of the College Avenue bridge in 2008 (\$30,000).

Technology Capital Projects

This fund provides for a variety of Technology capital needs. For 2005, this fund will be used to account for replacement and upgrade of the air conditioning and fire protection systems in the main data center. Fire protection is currently provided by a sprinkler system, which could do serious damage to the computer equipment it is protecting. It will be replaced with a non-water based system (\$46,000). Money is also included for the first phase of installation of a telephone system which will function over our existing fiber optic data network (Voice over Internet Protocol or VOIP, \$198,000). Installation of this system is expected to save \$50,000 per year due to reduced monthly telephone line charges.

Industrial Park Land

The Industrial Park Land Fund is the clearinghouse for the City's industrial and business park land sale revenue, acquisition of associated land, debt service from prior acquisition, and land development costs associated with industrial/business park infrastructures. This fund is utilized for these purposes exclusive of the industrial/business park areas developed through the tax incremental financing district(s).

The year 2005 budget provides funding for marketing and maintenance of the remaining land in the Northeast Business Park but no capital expenditures. The fund will transfer \$572,827 to the General Fund to pay back transfers made in previous years.

CEA Replacement Fund

This capital project fund receives money from various City departments, based on a useful life replacement payment schedule, for CEA owned vehicles and equipment used by the departments. The funds received are then used to replace the item at the end of its useful life.

Riverfront Initiatives

This capital project fund is used to fund various riverfront development initiatives, such as the development of Vulcan Heritage Park and the stabilization of the Vulcan Mill building.

Public Safety

This fund provides for a variety of Public Safety capital needs. For 2005, this fund will be used to account for:

- Design work for the renovation of the Police Station, incorporating a two-level parking deck to provide secure parking for police vehicles on one level and employee parking on the other. Some of the needs to be addressed include expanding the police communications center and workspace for records, investigators, and patrol supervisors; increasing limited evidence storage, office and archive space; and creating additional in-custody booking rooms.
- Remodeling Fire Station # 1 to address workflow, customer service, safety, lack of meeting spaces, and storage issues. Also included is the replacement of the HVAC system, energy efficient windows, internal wiring, etc.
- Remodeling Fire Station # 4 to address structural issues in the floor of the apparatus bay and to provide a code-compliant sprinkler and alarm system in the lower level of the station, opening that space for uses other than storage.

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Library Capital Projects

In 2005, the smoke detectors and pull stations on the first and lower levels of the library will be upgraded to devices that are each capable of being assigned a unique identity which will display on an alarm system panel in the case of an alarm. This enables the fire department to pinpoint the trouble area more quickly upon entering the building and respond more efficiently.

Residential Project

The former Appleton Wire Works South building has long been considered for conversion to a residential apartment complex. This project is for the City portion of the acquisition of the South building and its conversion into 25 affordable residential apartment units. The 25 units will be mixed in terms of income levels and subsidy types and will serve a mix of low-income households at or below 80%, 60% and 30% of the county median income.

The Housing Partnership has developed a preliminary budget of \$2,646,998, which includes all acquisition, site work, demolition, and construction costs. Funding for this project will come from a number of sources including State HOME funds, Historical Tax Credits, Federal Home Loan Bank Board Grant, State Continuum of Care Funds, Housing Partnership debt, and a City of Appleton investment of \$1,300,000. It is anticipated the City funding will be used for all phases of this project. The Housing Partnership assumes the value of the property upon completion of the project will be \$1,600,000 and estimates property taxes at \$38,000 per year, of which the City portion would be approximately \$13,500.

Prior Projects

Prior projects consist of the Mackville Landfill, including engineering, design and remediation, and an insurance policy for protection from third party lawsuits against the City for alleged contamination emanating from the landfill; and the Vosters Property Fund.

ENTERPRISE FUNDS

Enterprise funds are used to account for activities that are financed and operated in a manner similar to that found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities provided to outside parties are accounted for in enterprise funds.

Table 15: ENTERPRISE FUNDS EXPENDITURES ¹

Enterprise Funds	2002 Actual	2003 Actual	2004 Budget	2004 Projected	2005 Budget
Water Utility ²	11,057,044	12314486	12,068,880	12,731,069	12,967,743
Wastewater Utility ²	9,616,577	10500715	10,123,748	10,198,645	10,175,477
Stormwater Utility	2,886,756	2993614	3,391,184	3,442,986	3,933,226
Parking Utility	1,883,944	1839354	1,900,478	1,900,478	1,973,633
Reid Golf Course	722,978	706906	702,798	522,168	617,323
Valley Transit	5,788,493	5948679	6,425,425	6,308,746	6,598,087
Total - Enterprise Funds	\$31,955,792	\$34,303,754	\$34,612,513	\$35,104,092	\$36,265,489

¹ Enterprise fund expenditures are shown net of capital investments and the chargeback (credit) of depreciation on contributed assets. In 2003 the chargeback of depreciation on contributed assets (\$2,718,000 budgeted in 2002) was eliminated in accordance with Governmental Accounting Standards Board Statement #34 (GASB 34). This accounting change is for financial reporting purposes and has no impact on proprietary fund rates or actual cash expenses

² Effective with the 2003 budget, the Central Building Maintenance (CBM) internal service fund was discontinued and its staff incorporated into the Water and Wastewater Utilities. Prior period figures for Wastewater have been restated to reflect the inclusion of activities and staff related to the provision of services to all other departments except Water. No restatement of figures for Water is required since the direct allocation of staff and materials begun in 2003 is comparable to the allocation of CBM charges in prior periods.

Water Utility

The City of Appleton Water Treatment Plant provides the community with safe, high quality water in a consistent and cost effective manner utilizing the full potential of our highly motivated, technically skilled staff. The water treatment facility meets water requirements so that customers are provided with a safe, potable, cost-effective high quality water by working closely with the Department of Natural Resources.

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The Department of Public Works portion of the Water Utility is divided into three components, Customer Service, Operations and Maintenance, and Capital Projects. Capital Projects includes identifying, planning, designing, and constructing replacements for failing and inadequate transmission mains, hydrants, and services to reduce system failures and expand the existing water distribution system to accommodate growth areas. Operations and Maintenance includes preventive maintenance and general upkeep of the distribution pipelines, including transmission mains, hydrants, and valves to keep the system operating, reduce treated water loss, and comply with Public Service Commission (PSC) requirements. Customer Service activities include taking quarterly readings of all water meters and testing, repairing, and replacing meters to ensure accurate and fair billing for water usage.

In addition to funding for various necessary infrastructure capital improvements (\$3,746,813), the 2005 budget also includes \$19,976 for the replacement of a Water Distribution truck (the total cost is \$32,500, of which \$12,524 will be paid by the CEA Replacement Fund) and the following personnel changes:

- \$15,941 for the elimination of the Meter Team Premium,
- \$49,337 for the elimination of the Safety Coordinator position (70% budgeted to Water),
- +\$17,532 for the net effect of reallocating the Director of Utilities time from 75% Water/25% Wastewater and the Deputy Director's time from 5% Water/95% Wastewater to 50%/50% for each position,
- +\$89,036 for the addition of a Water Operations Manager position, and
- \$78,281 for the elimination of the Central Building Maintenance (CBM) and Water Filtration team premiums

It also reflects the elimination of one meter technician position upon the retirement of the incumbent. The elimination of this position has been planned for several years and is made possible by progress in the installation of remote-read meters (\$70,716).

Wastewater Utility

The City of Appleton Wastewater Treatment Plant provides the community with essential wastewater treatment services. Our technically skilled and highly motivated staff strives to maintain maximum standards of community health and safety, while protecting and preserving the environment, specifically water resources. It is our goal to achieve these objectives in a manner that demonstrates integrity, responsibility, and economically sound practices.

The Department of Public Works portion of the Wastewater Utility performs all maintenance associated with the sanitary sewer system to keep this system functioning and reduce the volume of inflow and infiltration entering the system, reduce damage to the existing infrastructure, and reduce processing costs. Also, the department will identify, design, and implement a capital construction program to replace failing and inadequate sewers to reduce system failures and expand the existing sanitary sewer system to accommodate growth areas.

The 2005 budget includes funding for various necessary capital improvements in both treatment and collection systems. In addition to \$3,479,227 of infrastructure construction projects, the 2005 budget includes the following:

- \$ 65,620 for replacement of the leaking roof over the generators in V building,
- \$850,000 for an additional belt filter press,
- \$ 50,000 for lime sludge dewatering operations,
- \$476,453 for replacement of programmable logic controllers (PLCs) and the fiber optic network which connects them, and
- \$266,934 for recoating three of six secondary clarifiers.

The budget also reflects the following personnel changes:

- \$21,144 for the elimination of the Safety Coordinator position (30% budgeted to Wastewater),
- \$39,031 for the elimination of the Central Building Maintenance (CBM) team premium,
- \$15,931 for the effect of elimination of the Water meter team premium on the allocation of shared meter expense to the Wastewater utility, and
- +\$17,532 for the net effect of reallocating the Director of Utilities time from 75% Water/25% Wastewater and the Deputy Director's time from 5% Water/95% Wastewater to 50%/50% for each position.

Stormwater Utility

The Stormwater Utility was created to provide for the management of surface water run-off in the City of Appleton. Maintaining the current facilities to insure they are operating at their designed potential to prevent system failures is one component of the stormwater program. Capital construction includes designing, building, and replacing of

CITY OF APPLETON – 2005 BUDGET EXECUTIVE SUMMARY

stormwater facilities to insure compliance with established regulations, to protect surrounding infrastructure and the environment, to increase the acres of land for development and prevent system failures.

Maintenance and Capital budget expenses are scrutinized to minimize changes in the stormwater utility rate, which is projected to remain at \$71 per equivalent residential unit (ERU) per year until 2006.

The 2005 budget includes funding for various necessary infrastructure capital improvements (\$5,867,499).

Parking Utility

The Parking Utility implements and administers the adopted parking policies, maintains a clean, reliable on- and off- street parking system to minimize customer inconvenience and dissatisfaction, collects and processes revenues, and enforces City parking ordinances and state statues to insure compliance for safety and facilitate availability of parking spaces. Rates are established to maintain the financial solvency of the Parking Utility and its independence from City tax levy funding.

The 2005 budget includes \$100,000 for structural maintenance and repair of the City Center Ramp. Also, the \$100,000 fee for use of the East and Washington Ramps during shows at the PAC has not been renewed. It has been replaced with a pay-per-use contract at the Washington Ramp. The lease for the use of the North Lot continues on a month-to-month basis during negotiations.

Reid Municipal Golf Course

The mission of the Reid Municipal Golf Course is to provide quality public golf opportunities, and to generate sufficient earnings to fund the operation of the course and a long-term plan of capital improvements according to generally accepted enterprise fund policies and procedures.

The customer service operations are provided by a contractor under a management agreement with the City. The contractor is responsible for all daily customer service operations, including all concessions and the pro shop, while the Parks and Recreation Department retains responsibility for course maintenance and capital improvements. The 2005 budget includes \$775,000 to upgrade and replace the irrigation system with a more efficient system which will use less water and entail less labor to operate. The budget also includes a fee increase of \$0.50 per nine holes of golf.

Valley Transit

Valley Transit seeks to provide basic mobility in a safe, effective, and efficient way to those who need it.

In January of 2004, a procurement contract for up to twenty heavy-duty buses intended for the primary fleet was placed with Orion Buses of Oriskany, NY. The new buses will be slightly smaller than the current buses (32 feet vs. 35 feet), and will be a low-floor design with ramps and a "kneeling" feature, eliminating the need for wheelchair lifts. The manufacturing of sixteen buses is in process, with delivery expected to begin in the 4th quarter of 2004. Federal funding for the remaining four buses was received in late September and staff is considering options at this time.

Other major events in 2004 included beginning coordination with Calumet County of specialized transportation for older adults and people with disabilities in rural areas of the county and completing the triennial review of transit operations by the Federal Transit Administration with only minor deficiencies noted.

Bus ridership and ridership productivity for the first three-quarters of the calendar year have increased over the same period of 2003. Ridership has increased from 682,391 to 695,003, an increase of 1.8%. Ridership productivity is up 3.6% from 14.5 rides per bus per hour to 15.0. Factors contributing to this appear to be higher gas prices, more minorities in the area relying on transit, and successful promotions such as Octoberfest.

Major 2005 objectives include:

- To relate public transportation to travel patterns within the urban and rural areas
- To promote public transportation as a basic public service
- To provide public transportation in all urban areas and certain rural areas using delivery systems, fixed-route or demand responsive, appropriate to the density of development
- To meet the needs of those with mobility limitations, particularly older adults, people with disabilities, students, and people who are unable to drive (for whatever reason).
- To meet the service performance, management, and marketing standards determined for the system.

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- To maximize efficiency and avoid overlap and duplication of services through coordination
- To base funding and organizational mechanisms for public transportation on principles of equity and to reflect the interconnectivity of jurisdictions within the urbanized area and surrounding rural areas.
- To promote land use patterns and site design standards which can be efficiently served by public transportation
- To provide a safe, reliable, and attractive alternative to exclusive reliance on single occupant automobile transportation for residents in the Fox Cities community.
- To provide services in a fiscally responsible manner, minimizing the cost to taxpayers, and within the financial constraints of the community.

The 2005 budget includes the addition of “tripper” service to Appleton North High School, Thrivent, Fox Valley Lutheran High School and the Boys and Girls Club (\$34,220). It also includes \$175,000 for the first phase of the resurfacing project for the asphalt parking lot at the maintenance/administration facility, \$25,000 for replacement of the vacuum system at the operations building, and \$40,000 for the renovation of the Neenah transfer station. A federal grant will fund 80% of the cost of each of these projects. The depreciation fund will cover the balance of the shelter replacements, parking lot resurfacing and vacuum system replacement while Neenah will fund the balance of the transfer station renovation. No current year local share dollars will be required for any of the projects.

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or other governments, on a cost reimbursement basis.

Effective with the 2003 Budget, the Central Building Maintenance department, which has been responsible for maintaining all City facilities, was discontinued as an internal service fund. The staff of CBM has been incorporated into the Water and Wastewater Utilities, which account for the bulk of their maintenance activities. Beginning with the 2004 budget, routine maintenance of other City facilities is budgeted in the department receiving the service. Prior period figures for Wastewater have been adjusted to reflect this change.

Table 16: INTERNAL SERVICE FUNDS

Internal Service Funds	2002 Actual	2003 Actual	2004 Budget	2004 Projected	2005 Budget
Central Equipment Agency	3,367,672	3,478,128	3,380,232	3,544,968	3,689,823
Risk Management Fund	1,133,414	1,173,132	1,029,533	1,115,270	1,186,149
Total - Internal Service Funds	\$4,501,086	\$4,651,260	\$4,409,765	\$4,660,238	\$4,875,972

Central Equipment Agency

CEA exists to maintain the City fleet and to provide orderly replacement of vehicles as they reach their useful service life. Additions to the fleet are funded through the user departments and become part of the CEA fleet. User departments are then charged for time and materials for maintenance, fuel usage, and a monthly replacement charge. Maintenance and replacement rates are established to cover the actual maintenance and replacement costs. When the item needs replacement, it is replaced by CEA and funded out of the replacement reserve, which is accounted for in a separate capital projects fund.

The 2005 budget reflects the funding for moving one Mechanic position from Parks and Recreation into CEA (\$60,807) in 2004.

Risk Management Fund

The mission of the Insurance Fund is to establish and maintain a successful risk management program, provide on-going support and training to all City departments and staff, and provide prompt and fair service to the public. To ensure that the City has sufficient insurance coverage and reserves for any type of claim and to handle all claims and potential claims involving the City, staff members focus on:

- Contract insurance language
- Insurance policies/renewals

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- Litigation management
- Self-insured retention levels
- Record retention/claims database
- Loss prevention
- Claims handling and investigation

The 2005 budget includes an allocation of one third of the City Attorney's time to properly account for his involvement with the Claims Committee (\$39,030, previously included in Self Insurance program in the Attorney's budget).

PERMANENT FUNDS

Permanent funds are used to account for assets held on behalf of outside parties (including other governments) or other funds within the City. These assets are held under the terms of a formal trust agreement, whether a nonexpendable trust fund or an expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal.

Table 17: PERMANENT FUNDS EXPENDITURES

Trust Funds	2001 Actual	2002 Actual	2003 Actual	2004 Budget	2005 Budget
Frank P. Young Memorial	0	1,000	0	500	500

Frank P. Young Memorial

To account for assets restricted for purposes of generating interest income and providing for scholarships in Library Science.