

City of Appleton, Wisconsin



2010 ADOPTED BUDGET AND SERVICE PLAN

EXECUTIVE SUMMARY

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



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

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December 16, 2009

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

Dear Appletonians:

I present to you the 2010 Budget and Service Plan, including the five-year Capital Improvement Plan. Total expenditures for the 2010 Budget are \$154,348,198. This budget concentrates on providing core everyday operations and services by implementing continuing improvement efforts to serve our community effectively during challenging local, state and national economic conditions.

My goal for this budget was to have very little impact on our citizens property taxes. While the City hasn't seen significant decreases in property value, we haven't seen property values rise either. On top of that there has been minimal new construction to add to the property tax base. With this as the goal, other factors having a major impact on the development of this budget include:

- State aids decreased \$391,316 from actual received in 2009.
- Wisconsin Retirement Rates increased 0.6% for general employees, 1% for police and 1.4% for fire.
- Tipping fees increased \$8.10 (\$7.10 from State plus \$1 imposed by the County) accounting for an approximate \$167,000 increase. We have also been recently notified by Outagamie County of a proposed \$5/ton increase in the County's tipping fee to fund the recycling program. This proposed budget does not include the County's proposed increase, so if approved, this charge would need to be addressed (\$117,500). The County has ceased charging for commercial recycling since the City completes the collection services compared to residential collection that is contracted by the County. This accounts for a \$22,750 decrease.
- The City is negotiating with representatives from the Appleton Area School District (AASD) to transition funding and administration of the Crossing Guard Program to AASD. Included in the Police Department Budget is a contribution of 33% of the cost of the program or \$61,695.
- The number of citizens electing five-year payment options to pay special assessments has increased, thereby reducing cash flow in the Subdivision Fund. This budget includes \$500,000 of tax levy funds placed into this fund in order to comply with the Fund Balance Policy established.

Development of the 2010 Budget began in March of this year when all departments engaged in developing a budget matrix which was designed to help us focus on our priorities as a city and as an organization. That process helped focus our discussions around viewing our resources as City

resources and not just departmental resources. Consequently, many of the changes presented in this budget proposal revolve around the shared use of resources to accomplish the City's goals and objectives. Examples include: coordination of resources between Parks and Recreation, Public Works and Facilities departments to provide snow removal at City facilities eliminating part of the need for outside contracted services; combining the publication of the Parks and Recreation Activity Guide with the *APPLESource* newsletter to reduce printing, publication and distribution costs; and transferring a mechanics position from the Fire Department to CEA to better utilize CEA resources, reduce overtime, and respond to the needs of the Fire Department on a more timely basis. I believe that this trend will continue into the future as we strive to meet the needs of our community in ever challenging times.

FISCAL

- Taxes – Overall, this budget includes an increase in levy-related expenditures of 3.35% that is offset by only a 0.5% increase in revenues, resulting in a tax levy increase of 6.46%. The increase in the levy, coupled with the growth of the City's tax base of 5.94% from the closure of Tax Incremental District #4, in addition to minimal new construction, results in an average decrease of .23% in the mill rate. City and state imposed levy restrictions are met by this budget.

The closure of Tax Incremental District #4 included segregating \$5,214,410 of funds in a capital projects escrow for completion of the remaining projects outstanding. The remaining cash balance will be dispersed to the participating tax entities according to the applicable percentage of the tax rate. \$2,300,500 was transferred to the General Fund in the 2010 Budget representing the City's expected share. \$4,107,579 is expected to be dispersed to the other entities.

- Debt and Fund Balances – Despite the difficulties in the economy, the Debt and Fund Balance Policies that we have put in place will be met by this budget to ensure the City's outstanding bond ratings and financial stability. These ratings enable the City to borrow funds at very low interest rates, which in turn, saves our taxpayers and ratepayers significant dollars. We have also maintained 1% of the 2010 General Fund Budget in the reserve for contingencies, retained the \$600,000 reserve for state aid changes and \$137,315 as a fuel contingency due to the volatility of prices over the past two years.
- Personnel – The 2010 Executive Budget contains reductions in part-time help, temporary help, budgeted overtime, as well as the elimination of several full-time positions. In analyzing the personnel reductions, the goal was to find ways to reduce the City's overhead and maximize our remaining resources while limiting the impact on our ability to provide services to our citizens.
- Service Reduction – This budget includes a reduction from bi-weekly bulky overflow plus four free quarterly overflow dates (total of 30 collections), to a monthly collection resulting in an approximate \$70,000 savings.

ECONOMIC DEVELOPMENT

Development related projects in this budget include:

- Industrial and Business Park Development – This budget does not include any additional funding for infrastructure or expansion as inventory of available lots is adequate at this time. Focus will instead be placed on redevelopment of the former Pierce Manufacturing Property (\$550,000) located in ARP #22 and to attract development to the City that will result in substantial tax base enhancement.

- The City created TIF District #7 in the area of South Memorial Drive from Calumet Street to State Highway 441 to provide targeted investments in this commercial corridor in conjunction with the private market. The 2010 CIP funds the second year of developer incentives and revitalization grants that will result in a more attractive and valued business corridor (\$49,000). It also includes funding for concrete construction and related infrastructure for Chain Drive.
- The City created TIF District #8 in 2009 to provide targeted investments in an area located along the banks of the Fox River, in conjunction with the private market, while recapturing the cost of participation through increased property tax revenues. Two key sites include the former Foremost Dairy property on the north side of the river and the Kaukauna Utility/MI property on the south. The Kaukauna Utility/MI Drilling property includes coordination of a secondary access. The 2010 Budget includes \$41,037 engineering expenditures related to construction of a road, RiverHeath Way. The City will publicly bid and hold the contracts, but the potential developer shall provide escrow funding before the project is started. Developer-funded agreements allow increment from the project to be dedicated to repay a percentage of the eligible costs incurred by the developer. The RiverHeath Project has obtained Council approval of an initial agreement pending proof of approved financing, and it is anticipated an agreement will be presented on the Foremost Dairy site prior to year end.

UTILITIES

- Water –The first year of a multi-year secondary membrane treatment project (\$160,000) will provide more cold water production reliability. The lake intake wood crib (\$850,000) will prevent intake icing and will respond to a DNR significant deficiency in the March 2009 Water Utility Sanitary Survey. The budget continues to focus on replacing aged distribution and transmission mains as well (\$4,790,870). The Water Utility is again in the process of completing a water rate study at the end of 2009 that will continue into 2010. A rate increase of at least 6% is expected mid to late 2010.
- Wastewater – The waste gas digester utilization improvements (\$2,050,000) will provide future energy savings of \$300,000 per year for the Wastewater Treatment Plant by using the waste methane gas produced at the plant. The budget includes renovations to the Northwest-Kiwanis lift station (\$529,000). This renovation will provide energy efficiencies and a better infiltration and inflow management during major rain events. The wastewater collection system capital improvements continue to focus on major interceptor rehabilitation to maintain the system at a level that will accommodate growth and increased wastewater needs for our community, as well as other typical reconstruction projects prior to paving (\$4,933,885). A rate increase for special hauled waste from outside the service area is expected to become effective January 1, 2010 subject to Council approval at the first meeting in November. There will be no rate increase recommended for the service area for 2010 but an estimated increase of 10% is projected to be effective January 1, 2011.
- Stormwater – This budget includes completion of the Conkey Pond and Northland Creek Floodplain Lowering Project, along with the Memorial Park South Stormwater Quality Pond and Floodplain Lowering Project (total \$3,985,000) towards meeting the City's NR216 Permit goals. The rate increase implemented in 2006 covered the requirements of the Stormwater Infrastructure Program through June of 2010, one year longer than projected. This budget includes a rate increase of \$16.12 per ERU or 14.8%. We anticipate these rates to be in effect until late 2013.

PERSONNEL

The 2010 Budget includes the following personnel changes:

- Reduction of .5 FTE Library Audiovisual Assistant – Includes workflow restructuring and assignment of additional duties to the Technical and Network Services in addition to some desk service hours that will now need to be covered by the Technical Services Librarians.
- Reduction of .5 FTE Recreation Coordinator – Reflects the reduction in program supervisory responsibilities due to the transition of the Adult Open Gym Program to an outside agency, adjustments made to the Older Active Adult Programs, contracting out concession services at Appleton Memorial Park, and withdrawing our participation at USA Youth.
- Reduction of Parks and Recreation Administrative Assistant – This position was funded 95% by tax dollars and 5% from Reid Golf Course. Duties will be reassigned to numerous staff positions.
- Reduction of a Park Technician – The Department will continue to work and enhance cooperative work agreements with the Facilities Management Department to coordinate the maintenance of park facilities with remaining available staff and resources.
- Department of Public Works Clerical Staff Position – The Department will be challenged to re-prioritize and distribute the work amongst remaining clerical staff.
- Street Foreman Position – The Department will work to re-prioritize and distribute the duties to remaining foremen. This position completed work in several budget areas: Water, Wastewater, Stormwater, Snow and Ice along with Street Repair.
- Realignment of Public Education Specialist and Elimination of Community Engagement Coordinator position – The 2010 Budget proposes the sharing of a public education position between Police and Fire. This cooperative venture will allow public safety education and community outreach services to be coordinated through the allocation of duties amongst multiple staff at Police and Fire.
- Deputy Fire Chief, Prevention and Logistics – Position not funded in 2010 Budget after vacancy occurred in 2009. Mechanic duties for Fire, which were transferred to CEA, made up a large portion of this position's responsibilities. Other duties were allocated across remaining existing staff.
- Sanitation Laborer – Reduction from bi-weekly overflow collection to monthly free overflow collection results in ability to not fill a vacant Laborer position, save on fuel costs and decrease fleet size by one truck.
- Part-time Service Position at Valley Transit – Changes in scheduling and analysis of workload concluded to not fill a vacancy that occurred in 2009.

Further details can be found on page 598 of the adopted budget document.

CAPITAL IMPROVEMENT PROGRAM

Highlights of the remainder of the 2010 CIP are as follows:

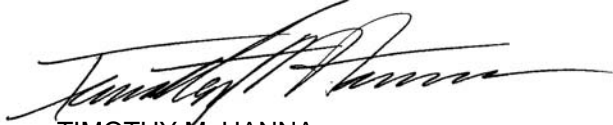
- Facilities improvements include:
 - Continued focus on lighting (\$83,334) and HVAC upgrades (\$606,466) resulting in significant energy savings funded by stimulus Energy Efficiency and Conservation Block Grant.
 - Continued focus on roof replacement as roofs are considered a critical component of each facility and require ongoing repair and maintenance. The City has 113 roof areas totaling over 536,000 sq ft. (\$350,000).
 - Installation of concrete hard surfaces in the yard waste area as well as replacing the road on the east side at the Municipal Service Building (\$250,000).
 - Reclamation and demolition of old Water Treatment Plant as there are still significant valuable assets that can be recycled, reclaimed or reused but value is declining rapidly as left to deteriorate. Facility continues to require ongoing maintenance to keep it safe and secure. (\$885,000 offset by potential \$266,500 reclamation.)
- The first phase (\$114,000) of a four-year project to convert material handling at the Library to Radio Frequency Identification as a cost savings and productivity enhancement.
- Public Works traffic enhancements include funding for the mandated sign retroreflectivity program (\$204,525), signal improvements (\$88,474) and traffic camera program expansion (\$27,920).
- Technology improvements will include upgrade to the AutoCAD program (\$41,500) as the City's main drafting program for the Engineers and other departments as current version is no longer supported by vendor and the final year of payment on the Microsoft Office 2007 upgrade (\$71,500).
- Quality of Life improvements focus on continued Master Plan improvements at Telulah Park for the entrance road at trail connections (\$100,000), walkways at Memorial Park (\$35,000), lighting at Peabody Park (\$50,000) and funding for Appleton's share of potential regional park in southeast area (\$100,000).
- Other public safety investments include funding to replace all Police Department wideband analog portable radios with P25 compatible narrowband digital radios (\$307,500) and the replacement of the Fire Department's personal protective equipment (\$67,500).

CONCLUSION

I'd like to take this opportunity to thank all of our department heads and their staff for their work on this budget. 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 Kelli Rindt, John Hoft-March, Stephanie Woodworth, Tony Saucerman and Director Lisa Remiker 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 City of Appleton continues to balance sound financial conditions with providing the basic essential needs of our City despite challenges faced in the local and national economy. Together we will continue our dedication to meet the needs of our community and enhance the quality of life. Appleton is a viable, strong community that can weather these stressful times.

Sincerely,



TIMOTHY M. HANNA
Mayor of Appleton

CITY OF APPLETON – 2010 BUDGET EXECUTIVE SUMMARY

COMBINED SUMMARY OF EXPENSES - ALL FUNDS

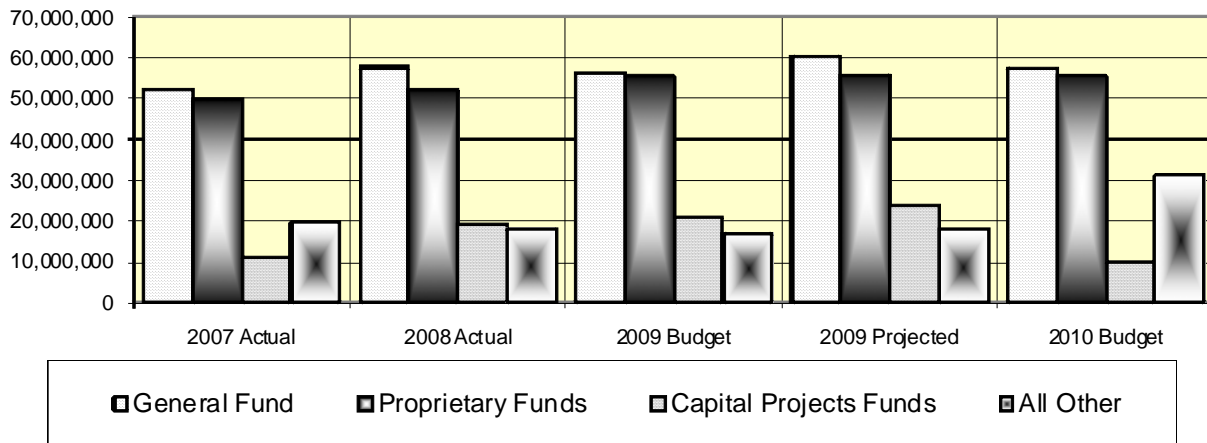
The City of Appleton follows the accounting methodology known as fund accounting, whereby revenues and expenditures are categorized by fund. Each individual fund represents a specific purpose or activity. Fund accounting is a means of separating and tracking those revenues and expenditures related to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

Table 1: TOTAL EXPENSES – ALL FUNDS ¹

	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
General Fund	\$52,385,645	\$57,653,577	\$56,020,143	\$60,300,108	\$57,423,818
Debt Service Funds	9,002,071	7,724,031	8,308,066	8,620,559	8,685,008
Special Revenue Funds	10,707,651	10,445,416	8,832,399	9,393,951	22,410,622
Capital Projects Funds	11,274,189	19,269,256	20,807,748	23,699,237	10,191,969
Enterprise Funds	42,286,179	43,753,737	47,532,919	47,657,773	47,711,590
Internal Service Funds	7,368,744	8,196,354	7,976,725	8,008,123	7,924,641
Permanent Funds	550	550	550	550	550
Total – All Funds	\$133,025,029	\$147,042,921	\$149,478,550	\$157,680,301	\$154,348,198

¹ Proprietary funds are shown net of capital investments, which are capitalized and depreciated

Fig. 1: COMBINED SUMMARY OF EXPENSES



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, Facilities and Construction Management, 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. The unusually high level of expenditure in Special Revenue Funds is the result of the closure of Tax Incremental Financing (TIF) District # 4, which will transfer funds to an escrow account to pay for future infrastructure investment within the district (\$5,214,410) and distribute the remaining cash balance to the participating tax entities according to the applicable percentages of the tax rate (City \$2,300,000, other taxing entities \$4,107,579).

CITY OF APPLETON – 2010 BUDGET EXECUTIVE SUMMARY

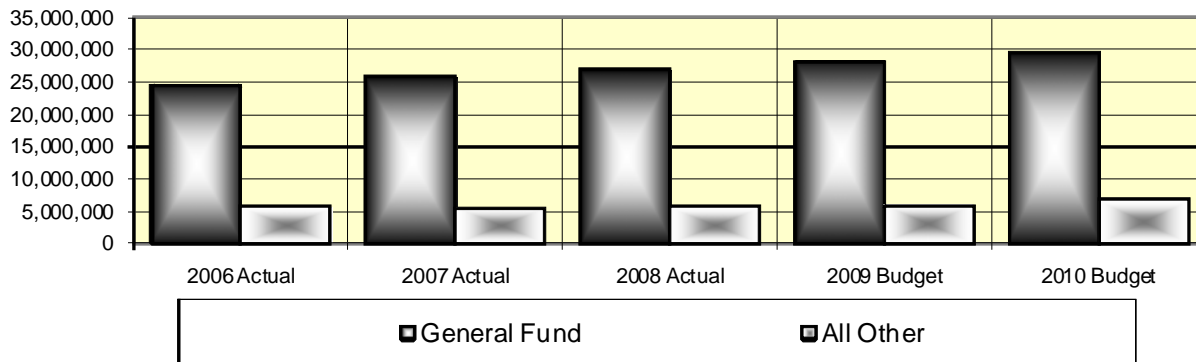
PROPERTY TAXES

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

	2006 Actual	2007 Actual	2008 Actual	2009 Projected	2010 Budget
General Fund	\$24,624,866	\$25,839,080	\$27,022,848	\$28,262,192	\$29,497,878
Debt Service Funds	2,897,879	2,953,457	3,303,443	3,240,038	3,533,999
Special Revenue Funds	2,536,257	2,467,850	2,481,550	2,647,850	2,822,800
Capital Projects Funds	300,000	0	0	0	500,000
Total – All Funds	\$30,359,002	\$31,260,387	\$32,807,841	\$34,150,080	\$36,354,677

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. The General Fund increase is due to stagnant or declining state aids (2010 decrease of \$624,775).

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 total 2009 property tax levy (payable in 2010), approximately 33.6% was levied for various City operations as illustrated in Table 3 and in Figure 3 following. Another 36.1% was levied by the Appleton, Menasha, Kimberly and Freedom school districts, 18.6% by Outagamie, Calumet, and Winnebago counties, 7.3% by Fox Valley Technical College (WCTS), and .8% by the State of Wisconsin. The remaining 3.6% is levied on the increment in Tax Incremental Financing (TIF) districts, and is used within each individual district for further capital investment, debt service on previous borrowing, and repayment of advances from other sources, as applicable.

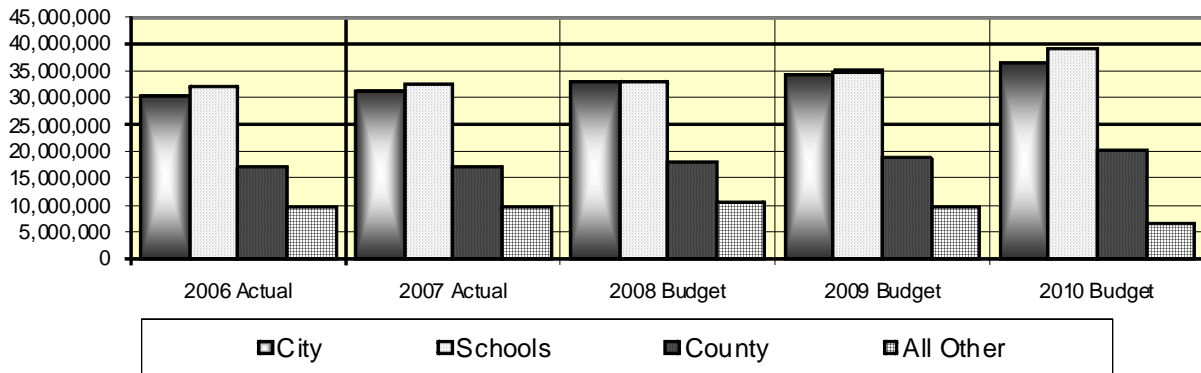
CITY OF APPLETON – 2010 BUDGET EXECUTIVE SUMMARY

Table 3: CERTIFIED APPORTIONMENT OF PROPERTY TAXES

Apportionment	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget
City	30,359,156	31,260,387	32,807,841	34,150,080	36,354,677
WTCS	6,588,696	6,721,675	6,978,847	7,331,505	7,918,742
Schools	32,218,451	32,395,678	32,992,462	34,933,078	39,006,781
State	781,907	763,941	776,514	799,486	812,733
County	17,024,491	17,217,035	17,856,640	18,714,735	20,145,801
TIF Districts	6,484,731	7,485,407	8,653,800	7,770,070	3,941,390
Total - All Portions	\$ 93,457,432	\$ 95,844,123	\$ 100,066,104	\$ 103,698,954	\$ 108,180,124
Less State Credits	4,100,024	5,206,059	5,830,499	6,351,872	6,161,669
Net Tax Levy	\$ 89,357,408	\$ 90,638,064	\$ 94,235,605	\$ 97,347,082	\$ 102,018,455

* Not available

Fig. 3: CERTIFIED APPORTIONMENT OF PROPERTY TAXES



TAX LEVY

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

Tax Levy	2006	2007	2008	2009	2010 Proposed
City	8.4351	7.6845	7.9258	7.9594	7.9463
WCTS	1.8306	1.6523	1.6860	1.7088	1.7308
Schools	8.9402	7.9467	7.9572	8.1328	8.5013
State	0.2021	0.1732	0.1714	0.1724	0.1712
County	4.7410	4.2482	4.3270	4.3729	4.4107
Gross Tax Levy	\$ 24.1490	\$ 21.7049	\$ 22.0674	\$ 22.3463	\$ 22.7603

* Not available

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.

**CITY OF APPLETON – 2010 BUDGET
EXECUTIVE SUMMARY**

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.

If the total property remains stable, increases in the levy will result in increased assessed rates. Appleton has had a 11.4% increase in net new construction from 2006 to 2010, while the tax levy has increased by 19.8%.

Table 5: TOTAL FULL TIME EQUIVALENT EMPLOYEES

DEPARTMENT	2007	2008	2009	2010
Assessor's Office	7.00	7.00	7.00	7.00
Attorney's Office	3.67	3.67	3.67	3.67
City Clerk's Office	5.00	5.00	5.00	5.00
Finance Department	9.85	9.85	9.85	9.85
Homeless & Block Grants	-	0.75	0.76	0.85
Fire Department	101.00	101.00	101.00	98.50
Health Department	12.85	12.85	12.85	12.86
Health Grants	4.60	4.40	3.40	3.34
Technology Services	15.40	15.40	15.00	15.00
Library	45.50	45.50	45.50	45.00
Mayor's Office	3.00	3.00	3.00	3.00
Facilities Management	7.60	8.15	8.15	7.76
Facilities Capital	0.40	0.40	0.40	1.00
Parks & Recreation	34.67	34.67	34.67	32.22
Reid Golf Course	2.05	2.05	1.75	1.70
Human Resources	5.95	5.95	6.15	6.15
Risk Management	2.98	2.98	2.98	2.98
Community Development	8.00	8.00	8.00	7.90
Housing & Community Devel.	2.00	2.00	2.00	2.00
Police Department	135.00	135.00	136.00	135.50
Public Works	58.57	55.32	57.81	53.92
Sanitation	22.69	22.69	21.29	19.79
CEA	14.11	14.11	14.11	15.11
Parking	11.47	11.47	11.47	11.47
Capital (TIF, Subdivision, etc.)	4.26	8.31	6.50	5.98
Stormwater Utility	17.52	16.92	17.32	17.75
Water Utility	36.92	36.92	36.42	37.76
Wastewater Utility	28.07	27.32	28.32	29.28
Valley Transit	55.43	53.03	53.03	52.65
Total Regular Employees	655.55	653.70	653.40	644.97

The chart above shows the total regular, full time equivalent number of employees. It does not include part time and temporary employees not eligible for health insurance or other fringe benefits. Net changes for 2010 are the elimination of a .5 FTE Audio-Visual Assistant at the Library; a .5 Recreation Program Coordinator, an Administrative Assistant, and a Parks Technician at Parks & Recreation; a clerical staff position, a laborer, and a foreman position in Public Works; a Community Engagement Coordinator position at Police (duties of that position will be combined with those of the Public Education Specialist at Fire and that position shared between the two departments); the transfer of a Fire Mechanic position from Fire to CEA and the elimination of the Deputy Fire Chief for Prevention and Logistics position; and elimination of a part-time Service Person position at Valley Transit. The 2009 column also includes the restructuring of a clerical position which occurred after adoption of the 2009 budget. The position had been split 60/40 between HR and Technology Services and became .8 in HR alone.

CITY OF APPLETON – 2010 BUDGET EXECUTIVE SUMMARY

GENERAL FUND SOURCES OF REVENUE

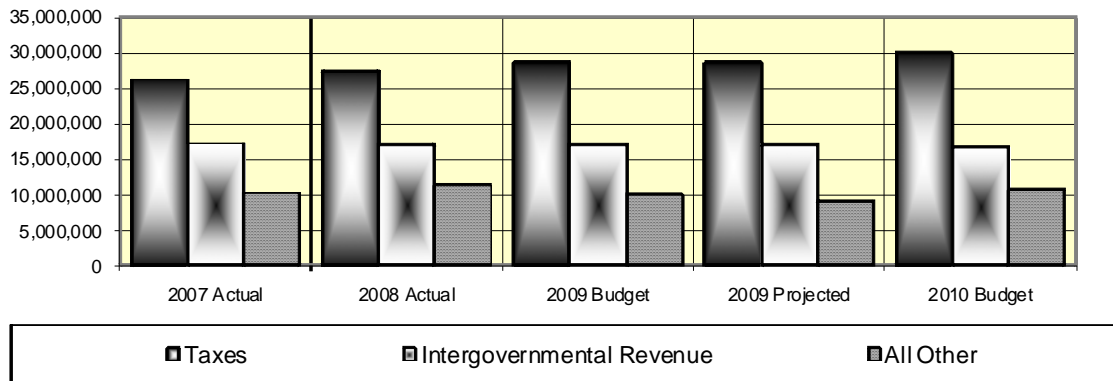
The General Fund, which accounts for the day-to-day functioning of city government, is supported by revenue from a variety of sources, including the property tax.

Table 6: GENERAL FUND SOURCES OF REVENUE

Source	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
Taxes	26,316,645	27,509,925	28,705,692	28,705,692	29,961,978
Intergovernmental	17,300,512	17,282,395	17,255,486	17,292,906	16,696,935
Licenses and Permits	858,761	809,008	913,570	850,000	840,349
Special Assessments	877,012	857,493	1,015,000	900,000	950,000
Fines and Forfeitures	315,809	346,338	300,000	300,000	300,000
Interest Income	4,509,771	4,865,143	3,773,908	3,343,313	1,524,422
Charges for Services	1,286,373	1,408,620	1,514,896	1,400,000	1,503,053
Other Revenue	1,044,790	1,564,050	1,082,641	886,773	1,883,131
Total General Fund	52,509,673	54,642,972	54,561,193	53,678,684	53,659,868
Other Financing Sources	1,387,866	1,456,317	1,458,950	1,458,950	3,763,950
Total Revenue & Other	53,897,539	56,099,289	56,020,143	55,137,634	57,423,818

The largest single source of funding for General Fund operations is the property tax, which will provide \$29,497,878 or approximately 51% of revenues in 2010. The next largest is intergovernmental transfers, of which \$11,114,214 is from the State government under the State Shared Revenue program, a reduction for 2010 of \$355,377, or 3.1%. Overall, Intergovernmental Revenue, which also includes State aids for street reconstruction, accounts for approximately 29% of revenues. The remaining 20% 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.

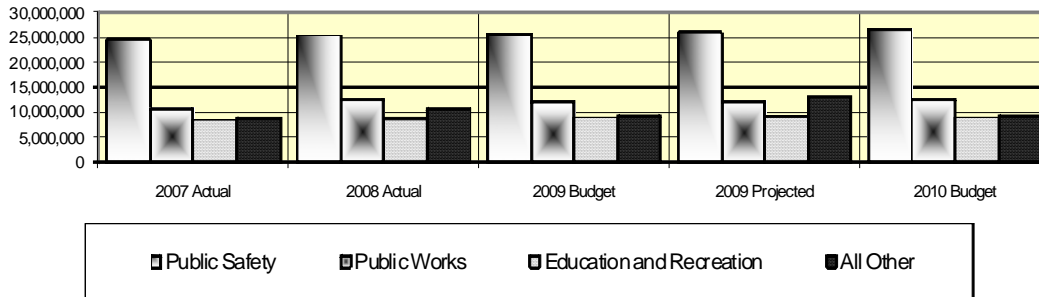
CITY OF APPLETON – 2010 BUDGET EXECUTIVE SUMMARY

Table 7: GENERAL FUND EXPENDITURES

Expenditures	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
General Government	6,462,941	6,857,913	7,777,338	10,049,691	7,783,265
Community Development	746,692	718,082	797,681	797,681	836,369
Education and Recreation	8,444,260	8,762,949	8,961,557	9,039,192	8,935,022
Public Works	10,703,829	12,683,255	12,021,451	12,281,705	12,715,055
Public Safety	24,461,501	25,407,008	25,781,046	25,911,064	26,517,695
Total Expenditures	50,819,223	54,429,207	55,339,073	58,079,333	56,787,406
Other Financing Uses	1,566,422	3,224,370	681,070	2,220,775	636,412
Total Expenditures & Other	52,385,645	57,653,577	56,020,143	60,300,108	57,423,818

The largest single expenditure for the General Fund is for public safety, which in 2010 accounts for approximately 46% of General Fund expenditures. Of that total budgeted expenditure, approximately 57% is for police protection, 38% for fire protection, and the balance for public health. The next largest portion of the budget (approximately 22%) 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 15% of General Fund expenditures, respectively.

Fig.5: GENERAL FUNDEXPENDITURES



GENERAL GOVERNMENT

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

	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
The Common Council	121,730	121,461	126,693	126,693	124,193

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.

**CITY OF APPLETON – 2010 BUDGET
EXECUTIVE SUMMARY**

	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
The Mayor's Office	255,871	285,999	299,640	299,640	309,827

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 2010 budget includes the consolidation of the Activity Guide, up to now printed and distributed separately by the Parks and Recreation Department, and the APPLESource newsletter into a single, bi-annual mailing. Overall this represents a net savings of \$15,000.

	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
Facilities Management & Construction	2,100,971	2,197,973	2,160,887	2,160,887	2,181,366
Facilities Capital Projects	0	5,235,402	5,914,167	7,920,426	1,537,471
Energy Efficiency & Conservation Grant	0	0	0	0	689,800

Facilities & Construction Management

Prior to 2007, certain aspects of facilities and equipment maintenance in certain City buildings were coordinated by staff of the Central Building Maintenance (CBM) department, which was under the overall supervision of the Director of Utilities. The creation of the Director of Facilities and Construction position led to the establishment of this internal service fund, entitled Facilities and Construction Management, charged with centralized facility maintenance and construction oversight.

Facilities management costs previously budgeted in individual departments have been consolidated within this budget, including maintenance, janitorial, lease, utilities and staffing expenses. During 2009, Facilities and Construction Management has continued to serve as the owner's representative and provided oversight of the Police Station renovation/construction project, in addition to providing proactive facilities management services to preserve and extend the useful life of the City's facilities and comply with all relevant regulations. Major initiatives have included developing preventive maintenance plans, facility documentation, roof database, energy initiatives and deferred maintenance plans. There are no major changes for the 2010 budget.

Facilities Capital Projects

Projects planned for 2010 are:

- Demolition of the old water treatment plant (\$885,000, partially paid for through sales of recovered materials - \$266,500);
- Roof replacement at Fire Station # 6 (\$350,000); and
- Grounds improvements at the Municipal Services Building site (\$250,000).

Energy Efficiency & Conservation Grant

Projects planned for 2010 are:

- Lighting upgrades at Fire Stations for energy efficiency (\$83,334); and
- HVAC upgrades at various fire stations, the Municipal Services Building, the Library, and the Wastewater Treatment Plant (\$606,466).

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Other projects under the supervision of the Facilities and Construction Management Department are budgeted in the various enterprise funds.

	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
City Clerk	647,616	752,264	670,008	686,308	740,832

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 2010, there will be four elections, compared to two in 2009. This budget also includes additional supplies and equipment rental expense (\$2,463) related to software that will allow us to process e-certified/e-return certified mail, saving an expected \$1,882 annually in certified mail postage costs. It also reflects a reduction of \$2,000 in printing cost for second hand dealer transaction reporting forms. With the Police Department's implementation of the Leads On-Line system, that reporting, some 1,900 transactions per week, will be done electronically.

	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
City Assessor	521,015	545,116	558,371	558,371	599,270

City Assessor

The City Assessor is responsible for performing assessment and property listing duties (maintaining ownership, legal descriptions, addresses, etc) for the city.

The Assessor's office completed a revaluation of all commercial property in the City in 2009, with all work completed in-house with no additional funding. The 2009 locally assessed value increased approximately \$120,133,100, which is an increase of 2.7% from 2008. Among other changes, this included \$82,132,000 in new construction, \$23,150,000 in commercial revaluation, and \$22,222,000 of formerly tax exempt property. The increase was offset in part by \$6,869,000 in general revaluation decreases.

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 ok 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. Much of the property information maintained by the Assessor's Office is available via the My.Appleton.org link from the City's website.

In 2009 the Assessor's Office began collaborating with the Building Inspections division of Public Works. As building inspectors complete their reviews of basement remodels, fireplaces, and rewires, they are also recording notes for the Assessor's Office. This eliminates the need for an inspection by an assessor, provides better customer service, and frees up assessors' time to work on reducing the backlog of some 12,000 homes that have

CITY OF APPLETON – 2010 BUDGET EXECUTIVE SUMMARY

not been inspected for assessment purposes in as much as 15 years. The Assessor's Office will continue to reassess all property every 4 years to keep assessments near 100% of market value as required by state statutes, to maintain equity, and to provide for small increases. A major goal for 2009 & 2010 is to inspect as many as possible of the 12,006 homes (out of 22,445 to be revalued in 2010) that have not been inspected since the 1990's. Citywide inspections have not occurred since 1995, when temporary field staff was hired to inspect 12,000 homes for the 1995 revaluation. Although the Assessor continues to revalue homes every four years, periodic inspections are needed to maintain equity between valuations of individual properties, particularly older homes, where renovations or deterioration can dramatically affect the true value. The Assessor's Office is able to inspect an average of 1,300 homes per year using existing staff, in addition to the other work for which they are responsible. The City Assessor will continue to explore ways to inspect a higher percentage.

	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
Finance Department	867,829	883,360	924,868	932,522	986,416

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
- Coordinate all aspects of budget preparation, including a five year capital plan
- Facilitate the City's centralized purchasing function for common use items and pursue local and regional purchasing opportunities

In 2009, the Finance Department continued work with Official Payments Corporation and the Technology Services department on payment of City charges via the internet. Technology Services is working with the Finance Department on a major re-design of the utility billing system, which will include electronic payment options for city services invoices (water, sewer, stormwater, and sanitation).

There are no major changes for the 2010 Budget.

	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
Unclassified City Hall	2,821,646	4,562,120	2,968,880	6,756,984	2,561,527
Room Tax Administration	312,993	350,490	305,000	285,000	285,000
City Center Capital Projects	43,587	0	0	0	0
Housing, Homeless & Block Grants	807,367	819,563	690,433	738,854	2,598,206

Unclassified City Hall

Included are various expenditures that are not program or department-specific. Examples include reserves and contingencies, particularly the reserve for wage settlements under collective bargaining agreements currently

CITY OF APPLETON – 2010 BUDGET EXECUTIVE SUMMARY

under negotiation, contingencies for gas and utility increases, City Center facility expenses, and miscellaneous expenditures such as insurance and retiree pension payments.

Salary adjustments to be covered from the wage reserve in 2010 consist of performance adjustments for all General Fund non-represented staff, any unforeseen position re-evaluations, and salary adjustments for any unsettled union contracts (total estimated at \$593,270). All collective bargaining agreements lapsed at the end of 2008 and have been under negotiation during 2009. \$183,897 was carried over from 2008 to fund the 2009 wage reserve.

The balance in the contingency fund is currently \$1,553,715 which includes:

- \$243,400 of deferred revenue from Time Warner Cable. This is the portion of the settlement to support public education and government ("PEG") access purposes
- \$600,000 state aid contingency
- \$573,000 one percent maximum of 2010 Budget according to policy
- \$137,315 fuel contingency.

It is assumed that the Council will carry over remaining contingency account funds from 2009 to 2010, therefore there are no new funds budgeted for 2010.

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.

City Center Capital Projects

This fund provides for capital improvements to the City Center facility. Included for 2007 was one project, the replacement of the folder/insertor in the Mail/Copy Center. The types of jobs processed on this equipment include water bills, assessment notices, payroll statements, Parks and Recreation program receipts, Human Resources brochures, and public hearing notices. There are no City Center capital projects planned for 2010.

Housing, Homeless and Block Grants

The following grant funded programs, with their specific objectives, are intended to benefit low and moderate income households and eliminate slum and blight:

- Community Development Block Grant (CDBG)
 - Create and maintain decent and affordable housing opportunities for low-income residents
 - Strengthen community services by offering new and improved access for low-income residents
 - Expand economic opportunity through financial counseling and business revitalization activities
 - Improve various public facilities throughout Appleton to create better availability/accessibility
- Emergency Shelter Grant/Transitional Housing Program/Homeless Prevention Program (ESG/THP/HPP)
 - Prevent homelessness among City of Appleton residents through housing counseling and financial assistance
 - Provide essential services and adequate facilities for transitional housing program participants
 - Provide emergency shelter and associated services to persons experiencing homelessness
- Continuum of Care/Supportive Housing Program (COC/SHP) #1 and #2
 - Provide for adequate and successful operation of transitional and permanent supportive housing programs
- Community Development Block Grant - Recovery Funds (CDBG-R)
 - Improve the quality of life in central city neighborhoods with the planting of several hundred urban street trees and an LED streetlight upgrade project in 2010
- Lead Hazard Control (LHC) Grant
 - Address lead-based paint hazards in Appleton homes where children under the age of six reside
- Neighborhood Stabilization Program (NSP)
 - Address blighted, foreclosed properties with acquisition, demolition, and/or redevelopment activities
 - Create six new units of affordable rental housing and three new affordable single-family homes
- Homelessness Prevention and Rapid Rehousing Program (HPRP)

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- Provide direct financial assistance and related supportive service to those who are either at risk of becoming or who are experiencing homelessness as a direct result of the economic recession

	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
Technology Services	1,786,979	1,881,087	1,815,356	1,803,462	1,946,128
Technology Capital Projects	396,790	370,047	533,500	880,896	113,000

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 iSeries 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).

In addition to routine systems maintenance and upgrade, major accomplishments for 2009 include implementation of Google Transit's route calculation and mapping on the City web site; installation of a centralized, server-based video recording system for security cameras; work on a new City website; initiation of a major re-design of the City's utility billing system; and completion of the technical aspects of remote employee access to computing resources, as a way of improving continuity of operations in the event of a pandemic or other major disruption. The reduction in 2009 Projected from 2009 Budget shown above is due to a change in a shared administrative position between the Human Resource (HR) and TS Departments that was completed in 2008, after adoption of the 2009 budget. Previously, this position was split 60/40 between HR and TS. The change moved this to an 80% position in HR only, eliminated half of the expense for the 40% of the position in TS, and moved the remaining half of that expense to temporary help in the TS budget. The budget for temporary help has been deleted as a cost reducing measure in 2010.

Major efforts planned for 2010 include continued development of the Geographic Information System (GIS); enhancements to the City Assessor's systems to improve the efficiency of property updates; continued evaluation of the wireless broadband pilot installation; and general support of our network and mainframe systems.

Technology Capital Projects

This fund provides for a variety of Technology capital needs. For 2010, this fund will be used to account for the second year of a three year enterprise agreement covering MS Office 2007 (\$71,500) and for an upgrade to the AutoCAD program used by the Public Works department's engineering division (\$41,500).

	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
Human Resources	612,679	629,745	668,406	680,300	699,566
Risk Management Fund	1,110,642	1,276,400	1,073,766	1,330,164	1,103,831

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
- Strategic planning and organizational development

CITY OF APPLETON – 2010 BUDGET EXECUTIVE SUMMARY

The department is also responsible for administration of the City's self-insurance program described below.

The increase in 2009 Projected from 2009 Budget shown above is due to a change in a shared administrative position between the HR and TS Departments that was completed in 2008, after adoption of the 2009 budget. Previously, this position was split 60/40 between HR and TS. The change moved this to an 80% position in HR only, eliminated half of the expense for the 40% of the position in TS, and moved the remaining half of that expense to temporary help in the TS budget.

The 2010 budget includes a decrease in consulting services (\$6,000) from reducing the number of pre-employment psychological exams performed, partially offset by an increase (\$1,000) from outsourcing the clerical review program to the same organization that handles the non-represented salary schedule reviews. It also includes a \$5,000 decrease in advertising expense, as a result of directing more of our advertising for open positions to websites and less to newspapers.

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
- Litigation management
- Self-insured retention levels
- Record retention/claims database
- Loss prevention
- Claims handling and investigation
- Development and administration of safety programs and related training

2009 Projected shows an increase from 2009 Budget due to an allocation of \$250,000 related to the ongoing Fox River cleanup process. The Fox River cleanup process is proceeding on several fronts. The trial for phase 1 is set to begin in federal court on December 1st and run approximately 6-8 weeks. Issues in phase 1 will be limited to what the parties knew about PCBs, when they knew that information, and what they did as a result of that information. Outside counsel is in the process of preparing for the trial. Two of the City's insurance carriers have so far accepted tender of defense and the City has been reimbursed for a portion of the defense costs. We continue to pursue possible resolution of the City's liability through a consent decree but are still gathering information to present a proposed settlement to the agencies. We are continuing to work with the parties on the issues of deposition coverage and document review to make preparation as cost effective as possible. More information will be available after the trial in December-January.

The 2010 budget includes a decrease in consulting services (\$10,500) related to an actuarial study. The actuarial study is done every other year and was last completed in 2009. The budget also includes an increase in worker's compensation losses (\$24,500) based on the current seven year loss history of actual incurred losses. The overall level of reserves is determined by the City's Risk Manager, Claims Committee and Finance Director, with input from the Cities and Villages Mutual Insurance Company (CVMIC) and the actuarial study. While the seven year average of workers compensation and general liability costs have increased, we are optimistic this trend will not continue. The Risk staff has taken steps to reduce future risk and decrease exposure by implementing safeguards when deficiencies are identified and by taking proactive measures to reduce or avoid future claims.

	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
City Attorney	393,998	421,131	426,186	426,186	451,918
Tuchscherer Disability Trust	6,392	6,391	6,391	6,391	6,391

CITY OF APPLETON – 2010 BUDGET EXECUTIVE SUMMARY

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. Major efforts in 2009 included work with outside counsel to prepare for mediation on the claim regarding the water plant, negotiating development agreements for the RiverHeath project near Telulah Park and the Foremost development on the opposite side of the river, work on amendments to recently adopted state legislation governing cable franchises to make the legislation less onerous for municipalities, and negotiation of a wholesale water agreement with the Village of Sherwood.

There are no major changes to the City Attorney's budget for 2010.

Tuchscherer Disability Trust

To account for monies 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.

COMMUNITY DEVELOPMENT

	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
Community Development	746,692	718,082	797,681	797,681	836,369
Housing and Community Development Grants	749,624	656,696	613,489	583,698	723,782
Industrial Park Land Fund	211,879	290,551	2243,419	243,419	280,965
Community Development Projects	0	43,369	0	326,631	550,000
TIF # 2	96,597	101,255	89,832	89,832	98,009
TIF # 3	2,657,924	2,251,399	2,272,033	2,272,033	2,354,186
TIF # 4	1,532,470	1,715,433	775,087	875,000	11,626,489
TIF # 5	103,482	188,991	161,985	161,985	102,958
TIF # 6	3,453,686	3,593,274	3,917,454	3,855,030	2,955,925
TIF # 7	0	20,715	124,454	66,955	247,253
TIF # 8	0	0	34,761	10,000	44,272
Prior period projects:					
Residential Project	286,095	0	0	0	0
TIF # 1 (closed 2008)	237,165	97,357	0	0	0

The efforts of the Planning and Economic Development staff of the Community Development Department 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 – 2010 BUDGET EXECUTIVE SUMMARY

Community Development Department

Staff of the Community Development Department serve 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.

Planners provide 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

Staff of the Community Development Department also administer programs and provide 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 Economic Development programs 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.

In 2009, staff completed work on the update of the Smart Growth Comprehensive Plan in order to meet the January 1, 2010 deadline, completed work on Tax Incremental Financing (TIF) District # 8 along the Fox River adjacent to the College Avenue bridge, and created Appleton Redevelopment Project (ARP) District # 22 to work with Pierce Manufacturing on plans for its facility on South Pierce Avenue.

There are no major changes to the Community Development department's budget for 2010.

Housing and Community Development Grants

The following grant funded programs, with their specific objectives, are intended to benefit low and moderate income households and eliminate slum and blight:

- Homeowner Rehabilitation Loan Program (HRLP)
 - Improve Appleton's affordable single-family homes by rehabilitating twenty-five homes for LMI homeowners
 - Use Lead Hazard Control (LHC) funds to supplement five projects for elimination of lead-based paint hazards
- HOME Investment Partnership Program - Homeowner Rehabilitation
 - Improve Appleton's affordable single-family homes by rehabilitating one unit for an LMI homeowner
- HOME Investment Partnership Program - Renter Moderate Rehabilitation
 - Improve Appleton's affordable rental housing stock by rehabilitating seven units for low-income occupants
 - Use Lead Hazard Reduction Grant funds to supplement six projects for elimination of lead-based paint hazards
- Neighborhood Revitalization Program (NRP)
 - Accomplish six business revitalization projects within the targeted neighborhood revitalization area

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- Accomplish three public facilities/beautification projects within the targeted neighborhood revitalization area
- Accomplish three special events/initiatives within the targeted neighborhood revitalization areas
- Improving the vitality of central city areas by addressing needs/concerns in other NRP areas as applicable
- Undertake research to evolve the current NRP design to facilitate more timely/effective improvements

There are no major changes to this budget for 2010.

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 2010 budget includes \$22,000 for maintenance and marketing of the remaining 15 acres of land in the City's Northeast Business Park, including weed cutting, berm maintenance, soil testing, environmental reviews, surveys, real estate commissions, title insurance, and other costs associated with selling land. It also includes \$37,462 in non-TIF infrastructure construction related to the further development of Southpoint Commerce Park.

Community Development Capital Projects

This fund provides for a variety of community development investments.

The 2010 budget will support the redevelopment of a targeted site in Appleton Redevelopment Project Area #22 (ARP #22), as adopted by Council in 2009, as well as the acquisition of an unspecified site, also in ARP #22.

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 Drive 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 2 will pay the General Fund \$95,791 on advances made during the early years of the district.

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 Evans Title building, the Appleton Retirement Community (formerly Crescent Place), and the Richmond Terrace 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. In 2010, the General Fund will have a net advance of \$386,838 to TIF district 3 as interest is accrued, not paid, each year.

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).

No increment was certified for the 2009 tax roll collectible in 2010. This district will be closed, with funds segregated in a capital projects escrow account for the remaining cost of projects outstanding. The remaining cash balance will be dispersed to the participating tax entities according to the applicable percentage of the tax rate.

TIF District # 5 - West Wisconsin Avenue

This fund provides for commercial redevelopment of West Wisconsin Avenue between Gillett and Bennett Streets. There are no infrastructure or development projects planned for TIF # 5 in 2009. TIF district 5 will return \$23,898 to the General Fund on advances made during the early years of the district.

CITY OF APPLETON – 2010 BUDGET EXECUTIVE SUMMARY

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 2010 Budget provides funding for maintenance and marketing of property (\$48,000) and for infrastructure development within the TIF district (\$108,814). The balance of the budgeted expenses for this fund are for debt service on the money borrowed to finance capital investments. TIF #6 will receive an advance from the General Fund of \$225,500 in 2010.

TIF District # 7 – South Memorial Drive / Valley Fair Mall

The area of South Memorial Drive from Calumet Street to State Highway 441 has deteriorated significantly over the last ten years. The abandonment of Valley Fair Mall and the under utilization of former retail and service buildings is cause for alarm. The City has created TIF District #7 to provide targeted investments in this commercial corridor in conjunction with the private market while recapturing the cost of participation through the increased property tax revenues. The TIF District provides for a 22 year expenditure period to make investments to support the goals of the District, including eliminating blight and encouraging the rehabilitation of properties, enhancing the viability of the businesses, retention of businesses and attraction of new businesses, stabilizing and increasing property values and improving the overall appearance of public and private spaces.

The 2010 Budget provides funding for revitalization grants and related planning (\$49,000), developer incentives (\$43,166), and infrastructure development within the TIF district (\$151,725).

TIF District # 8 – East Riverfront Development

The City of Appleton's Focus Fox River: A Master Plan identifies several redevelopment sites located along the banks of the Fox River, as well as the opportunities the opening of the Fox River Navigation System will provide the community. Two key sites include the former Foremost Dairy property on the north side of the river and the Kaukauna Utility/MI Drilling property on the south. Both sites have been identified for future medium to high-density residential development, with the Kaukauna Utility/MI Drilling property to include coordination of a secondary access and public improvements with Telulah Park. Significant environmental remediation activities are in progress on this property. Environmental remediation will also be required to develop the Foremost Dairy site.

The City created Tax Increment Financing (TIF) District #8 in 2009 to provide targeted investments in this area, in conjunction with the private market, while recapturing the cost of participation through increased property tax revenues. The TIF District provides for a 22 year expenditure period to make investments to support the goals of the District, including eliminating blight and encouraging the rehabilitation of properties, enhancing the viability of businesses, retaining businesses and attracting new businesses, stabilizing and increasing property values and improving the overall appearance of public and private spaces.

The year 2010 Budget provides funding for infrastructure development within the TIF district (\$41,037).

RECREATION / LIBRARY / TRANSIT

	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
Library	4,127,551	4,373,305	4,357,424	4,435,059	4,442,562
Library Capital Projects	167,625	121,482	0	0	114,000
Frank P. Young Memorial	550	550	550	550	550

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.

2009 accomplishments have included:

- Increased library utilization over 2008 – circulation up 6%, inter-library loans to other libraries up 6% and from other libraries up 9%, and door count up 8%
- Increased volunteer hours by 55% over 2007

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- Completed library architectural program design study as the second step in developing a plan for meeting the space needs of the library; the first step, completed in 2008, was a library utilization/space needs study, the recommendation from which was to construct a new library

Major 2010 objectives include:

- Continue cooperation with schools & other community organizations
- Update long range plan
- Continue to explore ways to utilize volunteers more effectively
- Use new technologies for increased productivity
- Explore revisions to website and online service delivery
- Maintain the high quality library services to which residents are entitled, including circulation, collection development, cataloging, reference & readers' advisory, programs, electronic services, public meetings, etc

The 2010 budget includes reducing a full-time Audiovisual Assistant position to half-time (\$29,670) and reducing materials acquisitions (\$7,737) due to budget constraints, a reduction in utilities expense (\$15,576) reflecting more efficient lighting and HVAC systems, and a reduction in Facilities Maintenance Division charges (\$9,103), reflecting further fine-tuning of the buildings' needs.

Library Capital Projects

This fund is used to account for various Library capital projects. In 2010, this fund will be used to pay for radio frequency identification (RFID) tags for materials and the equipment to convert materials to RFID. This system will improve the efficiency of materials handling and will be portable to an eventual new library building.

Frank P. Young Memorial

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

	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
Parks and Recreation	4,316,709	4,389,644	4,604,133	4,604,133	4,492,460
Forestry	19,569	17,796	25,000	25,000	15,500
Peabody Estate Trust	0	0	0	0	50,000
Balliet Locomotive Trust	0	0	300	300	300
Lutz Park Recreational Trust	376,870	236,798	75,000	567,509	0
Park Open Space Fund	10,735	9,530	107,000	107,000	207,000
Union Spring Park	1,355	60	1,869	1,869	462
Universal Playground	0	4,157	3,000	3,000	3,000
City Park Project	0	0	500	500	200
Parks and Recreation Capital Projects	748,997	1,847,539	0	796,420	210,000
Reid Municipal Golf Course	625,906	582,194	571,733	570,788	585,071

Parks and Recreation Department

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

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- 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 2010 budget reflects the following:

- The elimination of an Administrative Assistant position (95% from Parks & Recreation [\$77,730], 5% from Reid Golf Course [\$3,645]).
- The reduction of a .5 FTE Program Coordinator position, reflecting the reduction in program supervisory responsibilities due to the transition of the adult open gym program to an outside organization, contracting of the AMP concession operations, adjustments to the older active adult programs and the Department's decision to withdraw its participation for the concession operations at USA Youth. The over all effect of these changes on this budget is a net decrease of \$22,804 (expense reduction net of revenue reductions).
- The elimination of one full-time Parks Technician position (\$71,166); the Parks and Recreation department will continue to coordinate its efforts with those of the Facilities and Construction Management department to properly maintain park facilities.
- Operation of the adult softball program by an outside organization
- The elimination of the Adult Open Gym Program held at North High School. Players Choice will host the Open Gym Program, including adding open gym opportunities to the public
- The elimination of printing and postage expenses (\$18,500) of the Activity Guides. Beginning in 2010, the Activity Guides will be combined with the bi-annual editions of the Applesource. Overall, this change represents a net savings of \$15,000.

Forestry

The purpose of this fund is to account for City efforts to promote and preserve Appleton's urban forest. The budget for this program has been reduced for 2009 because the City has received a CDBG-R grant (\$5,000) to plant trees in targeted areas of the city, which will limit staff's availability to this program.

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. \$50,000 is budgeted for 2010 to install security lighting in the park.

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.

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.

Renovations to the boat launch, shoreline stabilization, and work on the bathroom facilities are expected to be completed in 2009. Part of this work will be paid for from a \$285,015 grant from the state Department of Natural Resources awarded in 2006 for work on the boat landing and shoreline restoration. In 2009, an open air gazebo was constructed near the fishing pier, providing a focal point for the park and recognition of the Lutz family for their support of the park. This project will be paid for by donations received from the Lutz family for that purpose. There are no additional projects planned for 2010.

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. In 2010, this fund will be used to re-acquire the land adjacent to the old water treatment plant on West Water Street from WE Energies (\$107,000) and for the City's share of land acquisition (\$100,000) for a regional park on the city's south side (jointly with the City of Menasha and the Town of Harrison).

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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. A major project is planned for 2009 to eliminate the well and provide City water at that site. The continued operation of the well creates safety challenges for the City and its elimination will minimize future costs and risks.

Project City Park

To account for moneys received from private donations to finance the maintenance of the central plaza in City Park (donated by Appleton Papers in 2007) and the corresponding expenditures.

Universal Playground

This fund provides for maintenance of the Universal Playground at Memorial Park.

Park and Recreation Projects

This fund provides for a variety of Parks and Recreation capital needs. The 2010 Budget is for reconstruction of the sidewalk from the Appleton Ice Center parking lot to the Universal Playground and the amphitheater in Memorial Park (\$35,000), reconstruction of the entry road at Telulah Park to accommodate changes to Newberry Street for the RiverHeath development and construction of trail connections (\$100,000), and playground equipment for Einstein and Mead Parks (\$75,000).

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 average number of rounds played at Reid Golf Course continues to remain the same or slightly lower than previous years. This trend is consistent with national and local trends. The 2010 budget includes an increase in Facilities and Construction Management department charges of \$7,600 for parking lot repairs, partially offset by the elimination of the 5% of the Administrative Assistant's position that had been allocated to the golf course (\$3,645).

	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
Valley Transit	7,337,488	8,154,077	8,443,306	8,443,306	8,615,894

Valley Transit

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

Bus ridership through August 2009 was down approximately 9% over the same period in 2008 and farebox revenue was up 15%. Contributing factors are the moderating of fuel prices, leading some who might have ridden the bus to drive, the fare increase that went into effect January 1, and downturn in the economy.

Major 2010 objectives include:

- Continue the work of the RTA (Regional Transit Authority) Study Committee. The study committee is focusing on alternatives and options to deal with the loss of federal funding that will occur after the 2010 census, when the urbanized area population is expected to exceed the 200,000 resident threshold;
- Continue to strengthen partnerships with community organizations;
- Continue to work on a strategic plan using the data from the non-rider market research study conducted in the first quarter of 2008, as well as discussions with city and community leaders about the direction transit needs to take to respond to the changing transportation needs in the Fox Cities. The plan will include a funding strategy to deal with the potential shortfall of federal funding as a result of the 2010 census;

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- Continue to review the operation to determine if there are ways to streamline or modify operations and procedures to increase effectiveness and efficiency of delivering transit services to the public;
- Continue working with a transit planner on realignment of routes to increase efficiency and better meet riders' needs; and
- Continue to focus marketing/communication efforts on both increasing ridership and revenue for the system.

The budget for 2010 reflects the following:

- A reduction in projected fuel costs, from \$3.61 per gallon to \$3.25, based on current usage and overall projections;
- The continuation of the Appleton Downtown trolley and The Connector (formerly United Way Call-A-Ride) services. The local share of the trolley is funded by Appleton Downtown, Inc. The local share of The Connector is funded primarily by United Way with additional funding provided by Thrivent Financial for Lutherans Foundation and several other local granting agencies. All other costs for both programs are funded by federal and state grants; and
- The elimination of a part-time service person position from the vehicle maintenance program (\$12,980).

PUBLIC WORKS

	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
Public Works	10,703,829	12,683,255	12,021,451	12,281,705	12,715,055
Sanitation	3,190,500	3,375,587	3,311,893	3,361,893	3,361,249
Safe Routes to Schools grant	0	0	121,426	121,426	0
Subdivision	2,053,092	2,085,014	2,295,713	2,100,000	1,727,504
Public Works Capital Projects	620,387	2,098,355	5,100,530	4,979,295	320,919
Parking	2,797,766	3,047,342	3,064,987	3,212,690	3,195,624
CEA	4,157,131	4,721,981	4,742,072	4,517,072	4,639,444
CEA Replacement	2,506,099	2,036,203	2,134,265	1,900,000	1,612,702

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 Stormwater Utility, 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 TIF districts and the Industrial Park Land Fund.

The 2010 budget reflects the following:

- Elimination of one clerical staff position (\$63,173); and
- Elimination of one Street Foreman position, approximately 61% of which was budgeted in the General Fund (\$65,769).

Workloads of both of these positions will be reallocated to other positions within the department.

Other significant items reflected in the 2010 budget are as follows:

- City participation with Calumet County in a paving project on Midway Road and with the State in a project on Memorial Drive (\$1,200,000, of which 50% will be reimbursed to the City by the other participants);
- An increase in surface restoration (patching) work to be performed for the Water Utility;
- An increase in the cost of street salt, from \$36.83 to \$57.38 per ton (\$113,000); and

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- Increased interdepartmental cooperation on snow removal from City facilities – Public Works will clear the lots at the Water Filtration Plant, Parks & Recreation staff will clear the Municipal Services Building and Fire Station 1 – overall this will result in a reduction of contracted services for snow removal and make more efficient use of our own staff and equipment.

Sanitation

The Department of Public Works Sanitation Division is responsible for the collection of solid waste and its transportation to the Outagamie County Landfill for disposal. 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 ensure compliance with Department of Natural Resources requirements.

The 2010 budget reflects the following changes:

- Eliminating the current bi-weekly overflow refuse collection and supplementing the current quarterly free overflow collections with eight additional free collections, resulting in a single monthly overflow collection and the elimination of 1 FTE laborer position. It is expected that this change will reduce expenses by approximately \$70,000.;
- An \$8.10 increase in the tipping fee rate, made up of \$7.10 imposed by the State and \$1.00 by Outagamie County (\$167,000).

Safe Routes to Schools grant

This was a new program in 2009 and included two competitive grants awarded by the State of Wisconsin, the Safe Routes to Schools grant and the On-Street Bicycle Lane Plan grant. The Safe Routes to Schools grant was for \$71,426 and did not require a match while the Bike Lane grant funded 80% of a \$50,000 project, with the required 20% match (\$10,000) coming from property taxes. Neither of these grants is available for 2010.

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, 2004, the City no longer advances money for new subdivision development. The developer is required to obtain an irrevocable line of credit from which the City will have exclusive rights to draw all applicable costs. Upon completion of contracts and any other outstanding issues, the City will release the line. The 2010 budget includes \$44,505 for those costs that will be drawn from developers' lines of credit. For ease of administration, all other expenditures in this budget will be administered by the City for immediate reimbursement by the developer, versus direct payment from the line of credit to the vendor.

The budget for this capital projects fund fluctuates depending on the projects which are needed in any given year, their number, and their scale. The number of people electing five year plans to pay special assessments has increased, thereby reducing cash flow in this fund and necessitating a property tax levy of \$500,000.

Public Works Capital Projects

This fund provides for a variety of Public Works capital needs. For 2010, this fund will be used to account for:

- Traffic signal equipment improvements (\$88,474),
- Expansion of the traffic camera program (\$27,920), and
- Second phase of a major traffic sign replacement project (\$204,525) to address substandard levels of reflectivity of existing signs and partially reimbursed by a \$128,100 grant that was received in 2009.

Parking Utility

The Parking Utility implements and administers the adopted parking policies, maintains a clean, reliable on- and off- street parking system, collects and processes revenues, and enforces City parking ordinances and state statutes to ensure 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. Significant accomplishments in 2009 include the expansion of pre-paid card compatible meter mechanisms from College Avenue into the Library Plaza parking lot. The 2010 budget includes \$75,000 for structural maintenance and repairs to parking ramps, as recommended by the structural engineering consultant's report, and \$25,000 for reconstruction of the parking attendant's booth at the Midtown parking ramp. Also included is a special event

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parking fee, to be charged for those events for which Valley Transit offers a reduced fare, and which is expected to help encourage use of Valley Transit while reducing congestion in the downtown area.

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 2010 budget reflects:

- A moderation in fuel prices (down approximately \$353,378 from the 2009 adopted budget). Unleaded and diesel fuel is budgeted at \$2.45 and \$2.49 per gallon, respectively, versus \$3.37 and \$3.92 per gallon in 2009.
- The transfer of \$140,000 from the sale of used vehicles to the CEA Replacement Fund. The model used for accumulating replacement proceeds had always included the residual value of the old vehicle but, in past years, the actual proceeds were recorded in this budget. This annual transfer was started with the 2009 budget and will help correct this inequity.
- The transfer of a mechanic's position from the Fire Department to CEA. In mid 2009, the Fire Mechanic position was transitioned to CEA to create efficiencies within the City through a larger resource pool to provide mechanic services, opportunities to prioritize City-wide workload and allocate resources accordingly, and maximize purchasing and inventory capabilities.
- \$3,500 for startup costs and training and \$2,700 for the monthly GPS software subscription fee related to the installation of GPS vehicle tracking devices installed in ten vehicles as a pilot project. The benefits from the program are expected to be: increased safety in knowing where employees are at all times; increased efficiency in enabling staff to take the most direct routes to job sites, and leaving job sites in a timely manner; decreased costs through improved routing, dispatching, and eliminating idle time and unauthorized travel; increased productivity by allowing staff to spend more time on the job sites and less time traveling; and being able to monitor the start and end of the work day.

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.

PUBLIC HEALTH & SAFETY

	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
Health Services	1,110,238	1,134,001	1,165,313	1,174,884	1,219,384
Health Services Grants	588,093	526,514	348,545	351,545	308,934

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 body art establishments. The department's environmental health staff also assesses, consults, and works to correct human health hazards including lead paint, solid waste, housing

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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 2010 Budget reflects the continuation of a program begun in mid-2003 of providing weights and measures certification services to surrounding communities. The communities are charged a fee that offsets the additional cost of staff time to provide the service. Eight area communities now participate in the program, purchasing a total of 150 days of certification services, compared to 149 days in 2009, and 77 days in 2004, the first full year of the program. The rate for these services for 2010 is \$413 per day.

The 2009 budget included the addition of a .25 FTE Sealer position to meet the increasing weights and measures work demand. This position was ultimately filled by the retired City Sealer at a rate which reflected his on-going training of the new Sealer. This budget reflects a reduction in the hourly rate for that part-time position (total reduction of \$6,184) due to a reduction in the responsibilities of the position, given that the new Sealer is fully trained. That reduction, plus a reduction in CEA expense, results in a \$30 reduction in the daily rate for Weights and Measures service to other cities.

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 2010, this program will provide approximately 8 women with prenatal care.

- Vaccine Improvement Plan Grant – The department's immunization program is expected to administer vaccines primarily to children from 2 months through 18 years of age and assist in developing the immunization infrastructure necessary to raise immunization levels and prevent vaccine preventable diseases such as diphtheria, tetanus, pertussis, polio, measles, mumps, rubella, haemophilus influenza B, varicella, rotavirus, and hepatitis B. This program reached over 1,800 children in 2007, over 1,700 in 2008, and is expected to serve approximately 1,500 in 2009.
- Prevention Grant - Funding from this grant in 2006 supported a Community Needs Assessment (Behavioral Risk Factor Surveillance System in the Fox Cities), which was utilized in the Fox Cities 2006 LIFE (Local Indicators For Excellence) study, and in 2007 through 2009 supported the Walk to Win campaign to encourage regular exercise. The grant will again support the Walk to Win campaign in 2010.
- 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 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. The Public Health Preparedness funding for consortia within the State was significantly reduced in 2009, as the State redirected funding efforts to individual agencies and away from consortia, and that change is reflected again in this years budget. Due to continuing

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reductions, it is anticipated that in 2010 the three consortia within Northeast Wisconsin will blend into one consortium serving 28 agency members.

	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
Police	13,947,907	14,507,870	14,804,519	14,894,124	15,092,949
Police Grants	0	88,821	0	25,000	0
Public Safety Capital Projects	682,470	1,335,314	347,500	458,180	375,000

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. The APD strives for excellence in police service by providing 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 2009 include:

- Began implementation of a barcoded evidence and property tracking system and the conversion is over half done ;
- Continued construction on the expansion/renovation of the Police station (budgeted in the Facilities Capital Projects fund above and under the direction of the Facilities department); some functions, such as vehicle maintenance, have been moved to other locations for the duration of construction; and
- Continued a trial period for a merger between the Appleton and Grand Chute Police Departments. In 2008, an Appleton Deputy Police Chief was assigned to oversee the activities of the Grand Chute Police Department as the two departments work towards a merger. Phase I of the potential merger, completed in May, 2009, provided the framework for delivery of merged police services in Appleton and Grand Chute. Showing favorable results, continuation in the next phase will augment further discussion on personnel, equipment, services, and shared costs for increased productivity and efficiency in Police operations in both communities.

Specific objectives for 2010 include:

- Continuing merger discussions with the Town of Grand Chute;
- Working with VisonAir representatives to improve the Records Management System recently installed; and
- Completing the Police station expansion / renovation project.

The 2010 Budget includes:

- Maintenance of a third Deputy Chief position dealing with the merger with the Grand Chute Police Department (offset by a payment of \$141,105 from the Town of Grand Chute);
- An increase in utilities cost (\$24,337), largely due to the increased size of the renovated police station;
- Elimination of the Community Engagement Coordinator position and sharing of a public education specialist position between Police and Fire (net personnel expense reduction \$34,839);
- A decrease of one Citizen Academy offered per year;
- The purchase of communications equipment (\$30,000) required to enable front desk staff to monitor the newly installed security systems in the police station;
- Negotiation with the Appleton Area School District (AASD)) to transition funding and administration of the crossing guard program to AASD. A major change in this budget is the inclusion of a contribution from the AASD (\$61,695) of one-third of the cost to support the Crossing Guard Program;
- Continuation of a cost-sharing arrangement for a Crossing Guard at the Oneida Street/Northland Avenue intersection. The Town of Grand Chute and Aces/Xavier Education System provide \$3,600 in revenue to offset the salary expenses associated with this Crossing Guard position; and
- \$4,900 for National Search Access through Leads On-line to perform electronic searches in a nationwide database for all second-hand property dealers. These additional costs are offset by a decrease of \$2,000 in the Clerk's budget for printing costs and a \$2,900 decrease in consulting fees in this budget.

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Police Grants

This fund is used to account for receipt of various grants to enhance public safety and the corresponding expenditures. Recently, it has been used to upgrade security at Appleton City Center and various other City facilities and to work with the Appleton Area School District to fulfill the goals of the Secure Our Schools grant from the Federal government.

The 2009 Projected of \$25,000 represented revenues and expenditures associated with a grant from the State of Wisconsin to assist the Police department in enhancing traffic safety. There are no grants currently planned for 2010.

Public Safety Capital Projects

This fund provides for a variety of Public Safety capital needs. For 2010, this fund will be used to account for replacement of all Police patrol portable radios with units meeting the recently developed P25 standard for communication between emergency responders (\$307,500) and for acquisition of personal protective equipment for Firefighters.

	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
Fire	9,403,356	9,765,137	9,811,214	9,842,056	10,205,362
HazMat Level A	119,997	187,569	85,601	85,601	82,114

Fire

In partnership with the community, the Appleton Fire Department protects lives and property from the adverse effects of fires and dangerous conditions through prevention, education, rescue services, and response. The department also provides a Regional Hazardous Materials Response Team (HazMat Level A), discussed below.

Major events in 2009 include:

- Retirements and resignations in key positions, including the Fire Chief, the Deputy Chief of Prevention and Logistics, two Lieutenants, and the Fire Department Mechanic. The Police and Fire Commission appointed Police Chief David Walsh as the interim administrative Fire Chief prior to appointing Len Vander Wyst as Fire Chief. The position of Deputy Chief of Prevention and Logistics has been eliminated.
- Delivery of a front line Pierce Impel pumper for emergency response for Fire District # 4. The Northeast Wisconsin Regional Hazardous Materials Team also took delivery of a Pierce Encore rescue vehicle and a research/laboratory trailer. Specialized extrication equipment is expected to be delivered before year end.

In 2010 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 2010 Budget includes :

- The transfer of the Fire Mechanic position to CEA to create efficiencies within the City through a larger resource pool to provide mechanic services, opportunities to prioritize City-wide workload and allocate resources accordingly, and maximize purchasing and inventory capabilities; CEA will now be responsible for Fire vehicle maintenance and will bill Fire accordingly;

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, the Appleton Fire Department is working with the cities of Green Bay, Oshkosh, Neenah and Menasha to establish and train a regional structural collapse team.

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There are no major changes to the HazMat grant for 2010.

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. The City maintains an Aa1 General Obligation rating and projects to keep our debt below 20% of the legal debt limit.

Debt Service Funds	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
Debt Service Funds	9,002,071	7,724,031	8,308,066	8,620,559	8,685,008

UTILITIES

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.

	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
Water Utility	15,539,650	15,283,139	18,340,169	18,043,398	17,440,446

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 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.

The 2010 Budget for treatment operations includes the following:

- Completion of replacement of corroded stainless steel pipe; replacement began in 2009 after settlement of litigation regarding plant construction;
- Completion of the rate study begun in 2009;
- A decrease in the amount of lime residual sent to the Wastewater Treatment Plant; and
- The second year of a four year project to complete maintenance painting of the softener basins, as well as basin cleaning.

The budget for distribution reflects the elimination of one Street Foreman position, approximately 16% of which was budgeted in Water Distribution. This reduction will be accommodated by re-prioritizing and redistributing work among the remaining Foremen and is an acceptable compromise to implement cost savings.

In addition to funding for various necessary distribution infrastructure capital improvements (\$4,790,870), the 2010 Budget also includes the following capital expenditures:

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- \$160,000 for secondary membrane treatment, part of the resolution of the water plant's cold water capacity issue;
- \$850,000 for construction of a wood crib around the intake pipe on Lake Winnebago;
- \$180,000 for tower expansion;
- \$ 45,000 for a card access system to enhance security at the plant; and
- \$300,000 for construction of an addition to the water intake station for potassium permanganate storage.

Estimated results of the 2009 rate study call for a minimum of a 6% increase, which is expected to be implemented in mid-2010. Due to continued capital construction at the Water Treatment Plant, increased cost of operations and the PSC disallowing a two-step approach, the City will need to file rate increases annually, incurring costs from consultants, the Public Service Commission and internal staff time.

	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
Wastewater Utility	10,977,326	11,226,733	11,716,985	11,748,952	11,900,956

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 2010 Budget includes funding for various necessary capital improvements in both treatment and collection systems. In addition to \$4,933,885 of infrastructure construction projects, the 2010 Budget includes the following:

- \$ 529,000 for lift station renovations;
- \$ 75,000 to continue the study of composting as a means to address the volume of sludge generated by the utility;
- \$2,050,000 for equipment and its installation to utilize the waste gas generated by the utility; a competitive grant will be pursued in 2010 to defray the cost; and
- \$ 50,000 for installation of a fire protection system within the plant.

The budget also reflects the following operating changes:

- A decrease in accounting fees related to the completion of a rate study in 2009; the 2009 rate study includes no increase for 2010, but an expected 10% increase in 2011; the last increase became effective on October 1, 2005;
- \$347,500 for repair and maintenance of primary digester #1; this project was originally intended for 2008 but replacement of barscreen # 3 in the treatment flow and some new pipe fittings in the digester, plus high-rate maintenance flushing of the digester, have permitted delaying the project;
- A decrease of approximately \$65,000 for land application and hauling biosolids; the capital project listed above regarding sludge storage options will include analysis of various alternatives; and
- The purchase of a root cutter, split between Collection Systems and Stormwater (\$7,000).

The budget for collection systems reflects the elimination of one Street Foreman position, approximately 3% of which was budgeted in Collection Systems. This reduction will be accommodated by re-prioritizing and redistributing work among the remaining Foremen and is an acceptable compromise to implement cost savings.

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	2007 Actual	2008 Actual	2009 Budget	2009 Projected	2010 Budget
Stormwater Utility	5,008,043	5,460,252	5,580,739	5,580,739	5,973,599

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 ensure 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 stormwater facilities to ensure 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 currently \$108.88 per equivalent residential unit (ERU) per year and was last changed in October, 2006. A 15% increase (to \$125.00) is included in the 2010 budget, to be effective 7/1/10.

The 2010 Budget provides funding for various necessary infrastructure capital improvements (\$8,995,012) to continue our efforts in the ever-increasing management of stormwater in the city, fulfill our obligations under Natural Resources Regulations 151 and 216 (NR 151 & 216, respectively), and control flooding. Major projects include completion of the Memorial Park South Pond and relocation of Apple Creek; all construction that contributes towards the City-wide stormwater management plan. This budget also includes \$3,000 for the purchase of a root cutter (split with Wastewater Collection). \$2,000,000 related to construction of the Pierce detention pond has been moved to 2011. This budget also reflects the elimination of one Street Foreman position, approximately 20% of which was budgeted in the Stormwater Utility. This reduction will be accommodated by re-prioritizing and redistributing work among the remaining Foremen and is an acceptable compromise to implement cost savings.