

City of Appleton, Wisconsin



2012 ADOPTED BUDGET AND SERVICE PLAN

EXECUTIVE SUMMARY

Developed by:
Mayor Timothy M. Hanna

Produced by:
John Hoft-March, CMA
Budget Manager
Lisa A. Remiker, CPA, CPFO
Finance Director
Anthony D. Saucerman, CPA
Deputy Finance Director
Kelli K. Rindt, CPA
Enterprise Accounting Manager
Stephanie R. Rogers, CPA
Accounting Supervisor

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





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

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

December 21, 2011

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

Dear Appletonians:

It is my pleasure to present to you the 2012 Budget and Service Plan, including the five-year Capital Improvement Plan. Total expenditures for the 2012 Budget are \$146,128,371.

Several factors have made the development of this 2012 Budget a significant challenge, none the least of which were decisions made during the debate on the State of Wisconsin budget as they worked to close a deficit of \$3.2 billion and present a balanced State budget. The results of those decisions had a major impact on the development of this proposed City of Appleton 2012 Budget. The major factors having an impact on the development of this budget include:

- A reduction in state shared revenue of \$1,428,262;
- A reduction in state transportation aid for local roads and streets of \$278,609;
- A reduction in state transportation aid for Valley Transit from 58.5% of eligible expenses to a projected estimate of 55%; however, the final determination will not be made until April of 2012;
- A change in State imposed levy limits on municipalities limiting growth in the local levy to the growth in tax base due to net new construction (1.22% for 2012);
- Funding for the recycling grant program was reduced, resulting in Outagamie County increasing tipping fees \$2/ton or a cost impact of \$44,400.

Also contained in the State budget were significant provisions affecting collective bargaining for public employees. In general, these changes affect all City employees with the exception of Police, Fire and Valley Transit. The City previously had contract agreements with employees represented by Teamster and AFSCME local unions. Those contracts expired at the end of 2010 and were being renegotiated when the new laws affecting collective bargaining went into effect. The end result is that the City now has a much greater pool of non-represented employees.

A major element of the changes in the State budget is a provision that requires public employees to contribute one-half of the statutorily required contribution to the Wisconsin Retirement System pension fund. Previously the City had contributed the entire amount required from the Wisconsin Retirement System for all employees. This change obviously offsets some of the losses in State aids outlined above, but it doesn't offset them completely. The change in the way the State calculates levy

limits combined with the fact that Police and Fire personnel are exempt from the requirement to contribute to the Wisconsin Retirement System left the City with the need to reduce levy-related expenditures by over \$900,000 just from these components alone.

Regardless of these circumstances, one of the goals of the City is to continue to identify ways to utilize our resources in a more efficient manner thus reducing our operating overhead while maintaining the level of service desired by our citizens. With this in mind, staff continued to work on previously-identified possibilities for savings and efficiencies. As those possibilities and changes were identified they were formulated into proposals and forwarded to the Common Council for approval throughout the year. Those approved changes are included in this budget proposal.

Given the fact that the Teamster and AFSCME contracts had expired and the changes contained in the State budget had resulted in a large increase in the number of non-represented employees for the City, I took the opportunity to call together a Transition Team of City Department Heads to do a comprehensive review of the City's policies related to these changes. The Transition Team surveyed all current City employees and made recommendations for changes to the City's Fringe Benefit, Conditions of Employment, Salary Administration, Recruitment and Selection and Complaint policies, as well as the adoption of a Grievance Policy as required by the State. These recommendations were approved in September by the Common Council and the net impact of those changes is contained in this budget proposal. Some of the major changes include:

- 12 sick leave days per year were replaced with 6 PTO (paid time off) days per employee per year;
- Grandfathered use of sick leave banks; no further accumulation of sick leave;
- Overtime paid after 40 hours worked in a week rather than after 8 hours in a day. Vacation or PTO not counted as hours worked;
- Revised vacation schedule based on years of service;
- Worker's compensation paid at 66 2/3% pay in accordance with State law;
- Increased employee contribution to health and dental insurance.

The net effect of these changes is that the City is in a better position to control the cost of employees being away from work as well as the impact that overtime has on our budget and operations. This budget anticipates significant savings from these changes.

The large increase in the number of employees who are now not covered under a collective bargaining agreement means that they are covered under the City's Compensation Plan. Rather than slotting these employees into our current Compensation Plan, I have included in this proposed budget funds for a comprehensive review of the City's Compensation Plan. The cost of this review is \$70,000 and is spread over various affected budgets. Since all cities in the state are facing the same situation as Appleton, our goal is to work with some other cities on a contract for the review of the Compensation Plan.

COMMUNITY AND ECONOMIC DEVELOPMENT

While the future of our economy remains uncertain we do know that any effort to stabilize and grow the City's tax base will only have a positive impact on the future. Therefore, I have included in this budget proposal:

- Community Development Capital Projects:
 - \$3,385,619 in support of our efforts to build an Exhibition Center in downtown Appleton. Our work thus far on this project estimates that this facility will have an annual economic

impact on our local economy of \$8.4 million. It is important that we continue to move forward with this project with appropriate due diligence.

- Renovation of Houdini Plaza in conjunction with improvements for the Soldiers Square area – This is a project that will have an impact on stabilizing property values in our downtown as well as enhance our ability to attract new businesses to the City. The City appropriation (\$1,000,000) is meant to leverage a significant investment from the community (\$500,000) for the completion of this project.
- Site clearance costs for the Washington Place building (\$512,560) upon the transfer of this property at no cost from Appleton Housing Authority.
- Industrial and Business Park Development – Funds included for maintenance, marketing and miscellaneous infrastructure for the City's Northeast Business Park and Southpoint Commerce Park (\$55,298) and to repurchase lots in the Northeast Business Park that are not in compliance with the protective covenants for construction (\$200,000).

FISCAL

- Taxes – Overall, this budget includes a decrease in levy-related expenditures of 2.84%; however, that is offset by a decrease of 8.25% in revenues, resulting in a tax levy increase of 1.64%. The increase in the levy, coupled with the overall loss in the City's tax base of 1.12% (minimal new construction of 1.22%), results in an average increase of \$0.11 in the mill rate. City and state imposed levy restrictions are met by this budget.
- 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. We have also maintained up to 1% of the 2012 General Fund Budget in the reserve for contingencies (\$573,000), conservatively utilized only \$168,700 or 15.5% of the reserve established for state aid changes (\$917,740 remains) and fuel contingency (\$137,315) to counter the volatility of fuel prices we have seen over the past several years for added security in future year budgets.

UTILITIES

- Water – The Budget continues to focus on replacing aged distribution and transmission mains (\$2,304,260). Secondary membrane treatment pilot study (\$500,000) will be considering additional primary membrane stages or a secondary membrane system. The DNR requires a minimum of 9 months pilot test for any new membrane improvements. There are also funds included for pressure zone control valve stations (\$215,000) and the diesel generator emissions upgrade (\$245,000). If eligible, the City will be seeking an inflationary rate increase only (approximately 3%) through a simplified rate application process in April of 2012.
- Wastewater – The wastewater collection system capital improvements continues typical reconstruction projects prior to paving (\$3,383,631). Miscellaneous utility capital improvements include facilities and grounds improvements (\$325,000) and continued sludge storage options (\$100,000). We continue to monitor the new NR 217 and the proposed Phosphorous TMDL that will have significant implications to the Wastewater Utility. In 2012, the Phosphorous TMDL project will recommend one of two courses of action. One course is to make facility process improvements to reduce phosphorous in the treatment train. The second course includes creating and engaging in a nutrient trading program where the Utility would purchase phosphorous credits from the agricultural community. Either alternative will result in tens of millions of dollars being added to future wastewater treatment budgets. There is no change in rates for the 2012 Budget.

- Stormwater – This budget reflects significant funding for the Theodore Street Phase 1 Flood Storage project (\$6,000,000) along with \$3,657,124 of other infrastructure as we continue to implement the citywide stormwater management plan. There is no change in rates for the 2012 Budget.

PERSONNEL

In recognition of the continued challenges our citizens are facing in these tough economic times, as well as the slow rate of recovery of both the national and State economies, this budget for the second year in a row contains no wage, salary or performance adjustment increases for non-represented staff as previously approved by the Common Council. Union contracts that remain for Police and Fire are estimated to increase costs 1.47% and 1.69% respectively, while the Valley Transit contract will decrease costs 2.65% for 2012.

The 2012 Executive Budget contains reductions in part-time help, temporary help and budgeted overtime, as well as the elimination of a number of full-time positions (equating to the equivalent of 7.23 FTEs) and reclassification of several other positions.

Personnel changes approved by the Common Council included in this budget are:

- Reduction of four eight-month Park Caretaker positions replaced with three full-time Grounds Coordinators.
- Reduction of one Park Caretaker and replaced with a Plans & Records Technician in the Facilities, Grounds and Maintenance Department.
- Elimination of the Neighborhood Revitalization Coordinator in Community Development due to the reduction in Community Development Block Grant funding.
- Replace one full-time bus driver with two half-time drivers in Valley Transit and change one Lead Mechanic to a Mechanic I position.
- Elimination of the Public Health Preparedness Coordinator in Health due to loss of grant funding.
- Change of two full-time Engineering Technicians to two eight-month Engineering Technicians.
- Change of two Operator I positions to two Laborer positions.
- Change of one Shop Manager position to a Lead Mechanic position in CEA.
- Decrease of one full-time Parking Enforcement position to one half-time position and increase from two to three part-time Parking Ramp Cashiers.
- Replace one Police Captain with one Officer.
- Replace one Fire Battalion Chief with one Captain.
- Replace Library Marketing Development Coordinator with a Marketing Assistant and eliminate one half-time Library Assistant.

Personnel changes approved by the Common Council at budget adoption include:

- Elimination of one .5 FTE Sanitarian in Health. The flexibility gained in the management of hours has enabled this change with little impact on our customers.
- Elimination of the Parks & Recreation Director position and the creation of a Superintendent of Parks & Recreation position under the Director of Parks, Recreation & Facilities Management.

- Elimination of one DPW Laborer and changing one Arborist to a Laborer position. The Arborist position has been vacant for most of 2011 and the change to a Laborer allows for more flexibility within DPW.
- Budget for .5 FTE CEA Serviceman in 2012. The Table of Organization will continue to reflect 1 FTE while CEA tests this proposition.
- Elimination of two part-time non-benefitted clerical staff at Police and add 1 FTE Administrative Assistant.
- Elimination of the Public Support/Communications Supervisor position at Police.
- Elimination of one clerical position at Fire. The Department has been operating without this position for the majority of 2011.
- Elimination of one Driver position at Valley Transit due to a consolidation of routes.

It is important to note that most of these changes have been accomplished through attrition due to vacancies created by either retirements or other circumstances. Further details can be found under the major changes program narratives about each of these.

CAPITAL IMPROVEMENT PROGRAM

Highlights of the remainder of the 2012 CIP are as follows:

- Public Works traffic enhancements include street lighting, traffic grid and traffic camera program expansion (\$143,000). Also included are funds to comply with the traffic sign retro-reflectivity mandate (\$300,000) that will continue uniformly over the next three years.
- The Olde Oneida Street Bridge deck is partially delaminated and requires replacement along with structural steel that is corroded and needs paint. This project receives 80% funding from the State and was approved in 2010 with the agreement that the construction would take place in 2012 (City share is \$628,000). Design for the Lawe Street project over the power canal will also take place in 2012 (\$13,000 City share). The State is also participating at 80% of this project and construction is anticipated to take place in 2013.
- Replacement of the Prentice Loader (\$225,000) that is a very critical piece of equipment in the Forestry fleet used daily in tree removal operations and is the only storm damage recovery piece of equipment the City owns.
- Technology needs include a wireless access system in all City buildings (\$250,000), service enhancement for inspector positions in the field to expedite and improve access to information electronically (\$75,000), funds to purchase a storage area network device (SAN) to meet the City's backup, storage and support to GIS operations (\$75,000), and the second year of a three-year enterprise license agreement with our GIS software vendor.
- Facilities improvements include computer room upgrades (\$60,000), flooring replacements (\$30,000), grounds improvements (\$25,000) and roof replacement (\$95,000).
- Quality of Life improvements focus on maintaining playground equipment at our existing City parks (\$85,000), mandated ADA upgrades and floor coating for areas at Erb Pool (\$150,000) and relocation of the entrance and trail connections in Telulah Park due to the construction of the RiverHeath project (\$100,000).
- Public safety investments include funding to replace all of the Police, Fire and Public Works Departments' wideband analog portable radios with P25 compatible narrowband digital radios (\$612,500) and the City's estimated participation in overall Fox Comm-wide 700 MHz radio system in accordance with Federal Communication Commission (FCC) mandate

(\$1,000,000). Also included are funds for personal protective equipment (\$46,500) and hose replacement (\$30,000) for the Fire Department.

- Streets and sidewalk infrastructure (\$3,395,780) – Reductions to infrastructure planned include:
 - Delay of the reconstruction of Meade Street from Applecreek to County JJ (\$586,234 plus \$49,222 of related utility work).
 - Due to the anticipated demolition of the Washington Place building in 2012, the Washington Street project will now be completed in two phases. This will allow a portion of Washington Street (30% of project) to remain open and serve as a demolition area for the Washington Place building and also keep Oneida Street open for a trucking route. (\$175,000 along with other applicable adjustments to special assessment revenues in the general fund and charges in Valley Transit and the Parking fund). Decorative colored concrete in crosswalks and terraces on Washington Street has been eliminated.

CONCLUSION

In light of all of the changes that have occurred this year, it is important to remember that the one thing that doesn't change is the City's mission of meeting the needs of the community and enhancing the quality of life. This means that we must continue to find ways to be more efficient with the resources that our citizens entrust to us and to look for ways to permanently reduce our overhead while minimizing the impact on the services that our citizens have come to expect from the City. This is a trend that I believe needs to continue into the future whether we are in good times or not so good times. But it is even more important today as we continue to face a challenging and uncertain economic future.

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 Rogers, 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 – 2012 BUDGET EXECUTIVE SUMMARY

COMBINED SUMMARY OF EXPENSES - ALL FUNDS

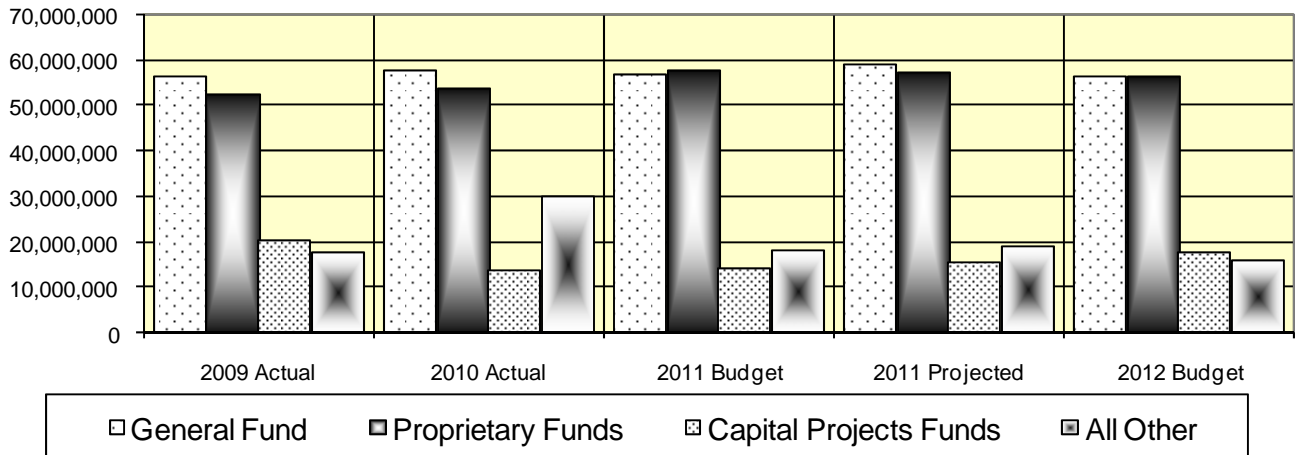
The City of Appleton follows the accounting methodology known as fund accounting, whereby revenues and expenditures are categorized by fund. Each individual fund represents a specific purpose or activity. Fund accounting is a means of separating and tracking those revenues and expenditures related to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

Table 1: TOTAL EXPENSES – ALL FUNDS ¹

	2009 Actual	2010 Actual	2011 Budget	2011 Projected	2012 Budget
General Fund	\$56,254,069	57,358,211	\$56,638,598	58,898,356	55,937,332
Debt Service Funds	8,520,075	8,615,153	8,631,675	8,631,675	7,782,441
Special Revenue Funds	9,339,570	21,380,824	9,728,813	10,550,670	8,440,204
Capital Projects Funds	20,080,817	13,266,450	14,065,266	15,201,055	17,222,385
Enterprise Funds	43,752,586	45,144,718	47,650,531	47,172,170	46,293,951
Internal Service Funds	8,887,947	8,569,029	10,126,602	10,406,917	10,452,058
Permanent Funds	700	1,000	550	900	0
Total – All Funds	\$146,835,764	\$154,335,385	\$146,842,035	\$150,861,743	\$146,128,371

¹ Enterprise 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, Grounds and Construction Management; Other Post Employment Benefits; and Risk Management Funds). Debt Service Funds account for the payment of interest and principal on general long-term debt, Special Revenue Funds account for various revenue sources that 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 to generating investment income to support expenditures for a specified purpose. The unusually high level of expenditure in Special Revenue Funds in 2010 is the result of the closure of Tax Incremental Financing (TIF) District # 4, which transferred funds to an escrow account to pay for future infrastructure investment within the district (\$4,100,000) and distributed the remaining cash balance to the participating tax entities according to the applicable percentages of the tax rate (City \$2,805,277, other taxing entities \$5,008,865).

CITY OF APPLETON – 2012 BUDGET EXECUTIVE SUMMARY

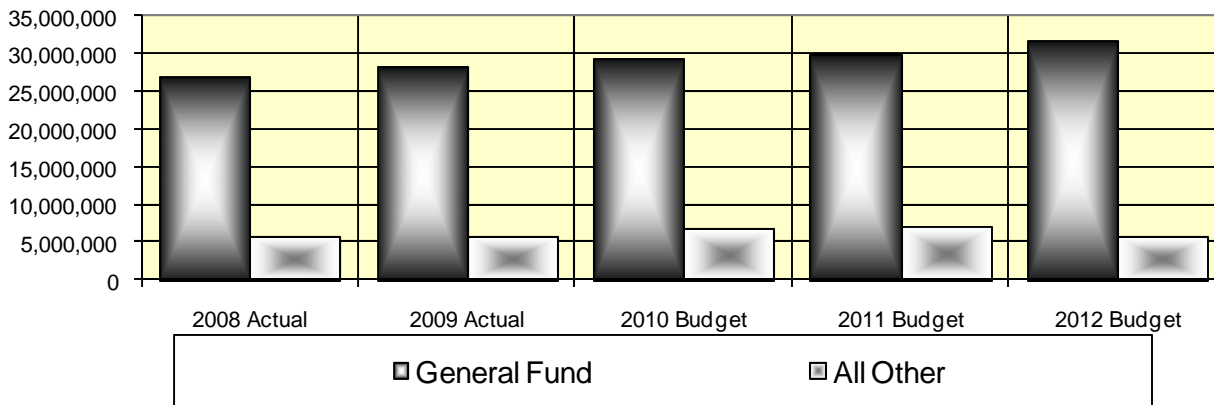
PROPERTY TAXES

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

	2008 Actual	2009 Actual	2010 Actual	2011 Projected	2012 Budget
General Fund	\$27,023,101	\$28,262,315	\$29,497,480	\$29,942,415	\$31,730,601
Debt Service Funds	3,303,443	3,240,038	3,533,999	3,852,111	3,070,688
Special Revenue Funds	2,481,550	2,647,850	2,822,800	2,310,000	2,310,000
Capital Projects Funds	0	0	500,000	900,000	500,000
Total – All Funds	\$32,808,094	\$34,150,203	\$36,354,279	\$37,004,526	\$37,611,289

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.

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 2011 property tax levy (payable in 2012), approximately 33% was levied for various City operations as illustrated in Table 3 and in Figure 3 following. Another 37% was levied by the Appleton, Menasha, Kimberly and Freedom school districts, 18% by Outagamie, Calumet, and Winnebago counties, 7% by Fox Valley Technical College (WCTS), and 1% by the State of Wisconsin. The remaining 3% 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.

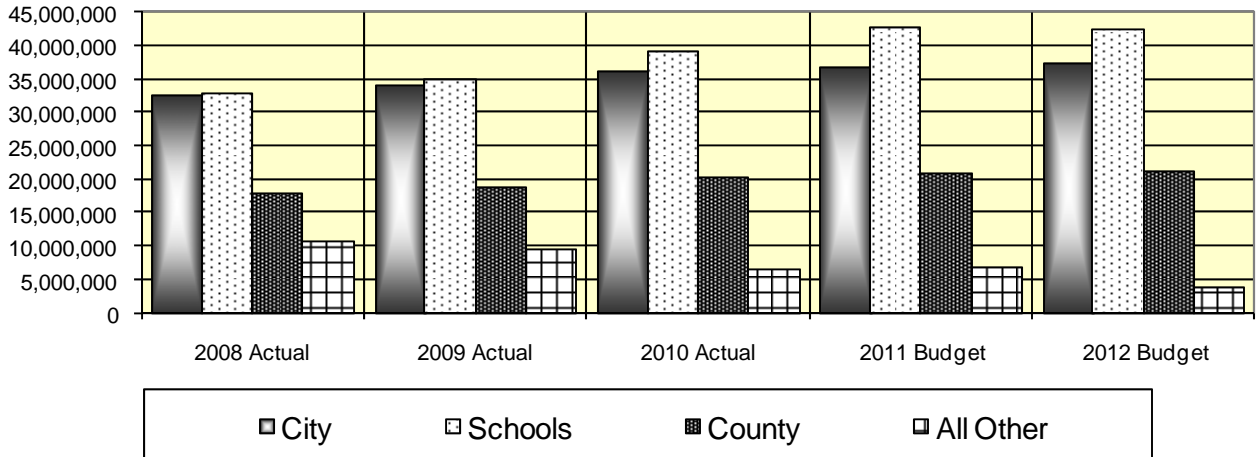
CITY OF APPLETON – 2012 BUDGET EXECUTIVE SUMMARY

Table 3: CERTIFIED APPORTIONMENT OF PROPERTY TAXES *

Apportionment	2008 Budget	2009 Budget	2010 Budget	2011 Budget	2012 Budget
City	32,807,841	34,150,080	36,354,677	37,004,526	37,611,289
WTCS	6,978,847	7,331,505	7,918,742	8,353,838	8,294,937
Schools	32,992,462	34,933,078	39,006,781	42,718,673	42,541,871
State	776,514	799,486	812,733	823,345	814,098
County	17,856,640	18,714,735	20,145,801	20,916,513	21,151,329
TIF Districts	8,653,800	7,770,070	3,941,390	3,720,126	3,995,673
Total - All Portions	\$ 100,066,104	\$ 103,698,954	\$ 108,180,124	\$ 113,537,021	\$ 114,409,197
Less State Credits	5,830,499	6,351,872	6,161,669	6,186,432	9,197,393
Net Tax Levy	\$ 94,235,605	\$ 97,347,082	\$ 102,018,455	\$ 107,350,589	\$ 105,211,804

* Amounts shown are the certified levies for each entity for each budget year. Actual amounts collected may vary.

Fig. 3: CERTIFIED APPORTIONMENT OF PROPERTY TAXES



TAX LEVY

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

Tax Levy	2008	2009	2010	2011	2012
City	7.9258	7.9594	7.9463	8.0496	8.1510
WCTS	1.6860	1.7088	1.7308	1.8172	1.7977
Schools	7.9572	8.1328	8.5013	9.2858	9.2081
State	0.1714	0.1724	0.1712	0.1733	0.1704
County	4.3270	4.3729	4.4107	4.5338	4.5789
Gross Tax Levy	\$ 22.0674	\$ 22.3463	\$ 22.7603	\$ 23.8597	\$ 23.9061

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 – 2012 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 an 8.7% increase in net new construction from 2008 to 2012, while the tax levy has increased by 14.6%.

Table 5: TOTAL FULL TIME EQUIVALENT EMPLOYEES

DEPARTMENT	2009	2010	2011	2012
Assessor's Office	7.00	6.63	6.13	6.13
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	8.85	8.85
Homeless & Block Grants	0.76	0.85	0.95	0.95
Fire Department	101.00	98.50	97.00	96.00
Health Department	12.85	12.86	12.61	12.36
Health Grants	3.40	3.34	3.39	1.89
Technology Services	15.00	15.00	12.00	12.00
Library	45.50	45.50	45.00	44.50
Mayor's Office	3.00	3.00	2.00	2.00
Facilities Management	8.15	7.76	19.82	19.88
Facilities Capital	0.40	1.00	0.40	0.40
Parks & Recreation	34.67	32.22	5.45	5.45
Reid Golf Course	1.75	1.70	1.55	1.53
Human Resources	5.95	6.35	6.15	6.15
Risk Management	2.98	2.98	2.98	2.98
Community Development	8.00	7.90	11.75	12.00
Housing & Community Devel.	2.00	2.00	2.00	1.00
Police Department	136.00	134.50	134.00	134.00
Public Works	57.81	53.92	62.01	62.49
Sanitation	21.29	19.79	18.89	17.89
CEA	14.11	15.11	15.11	15.11
Parking	11.47	11.47	11.47	11.17
Capital (TIF, Subdivision, etc.)	6.32	5.98	4.16	2.42
Stormwater Utility	17.32	17.75	18.73	18.98
Water Utility	36.42	37.76	36.51	36.64
Wastewater Utility	28.32	29.28	29.42	29.93
Valley Transit	53.03	52.65	52.65	52.05
Total Regular Employees	653.01	644.29	629.63	623.40

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. Positions eliminated for 2012 are an Administrative Clerk at Fire, a .5 FTE Library Reference Assistant, a .5 FTE Environmentalist in Health, one full time driver at Valley Transit, two full time grant funded positions due to reductions in funding, a .5 FTE reduction in Parking Enforcement, partially offset by a .2 FTE increase in part-time cashier positions, and one Public Works Laborer with the closing of the Whitman Avenue yard waste site.

Other revisions include the conversion of four 8 month Groundskeeper positions in Facilities to three full time, one full time driver position at Valley Transit to two part time (.7 FTE each), conversion of two vacant full time Engineering Technician positions in Public Works to two 8 month positions, and replacement of the Director of Parks & Recreation position with a Superintendent of Parks & Recreation position.

CITY OF APPLETON – 2012 BUDGET EXECUTIVE SUMMARY

GENERAL FUND SOURCES OF REVENUE

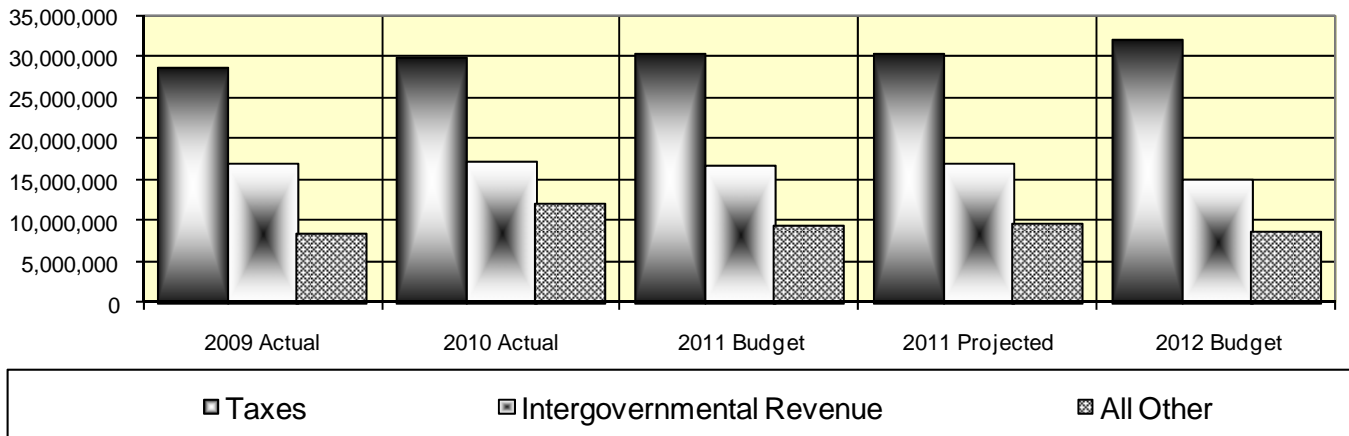
The General Fund, which accounts for the day-to-day functioning of city government, is supported by revenue from a variety of sources, including the property tax.

Table 6: GENERAL FUND SOURCES OF REVENUE

Source	2009 Actual	2010 Actual	2011 Budget	2011 Projected	2012 Budget
Taxes	28,672,980	29,909,926	30,352,615	30,352,615	32,122,601
Intergovernmental	17,159,402	17,165,081	16,891,348	16,971,348	15,158,485
Licenses and Permits	823,787	990,827	841,240	841,240	860,925
Special Assessments	1,554,695	1,014,114	1,697,000	1,697,000	948,900
Fines and Forfeitures	342,923	1,355,008	325,000	350,000	350,000
Interest Income	804,849	1,532,028	1,677,798	1,777,798	1,813,483
Charges for Services	1,377,532	356,971	1,258,670	1,258,670	1,264,999
Other Revenue	1,756,072	2,070,167	1,875,977	1,925,977	1,506,289
Total General Fund	52,492,240	54,394,122	54,919,648	55,174,648	54,025,682
Other Financing Sources	1,570,467	4,555,592	1,718,950	1,718,950	1,742,950
Total Revenue & Other	54,062,707	58,949,714	56,638,598	56,893,598	55,768,632

The largest single source of funding for General Fund operations is the property tax, which, with payments in lieu of property tax of \$392,000, will provide \$32,122,601 or approximately 57% of revenues in 2012. The next largest is intergovernmental transfers, of which \$9,694,935 is from the State government under the State Shared Revenue program, a decrease for 2012 of \$1,428,262, or 12.8%. Overall, Intergovernmental Revenue, which also includes State aids for street reconstruction, accounts for approximately 27% of revenues. The remaining 16% of revenues will come from various other sources, as illustrated above. The 2012 budget is balanced with the planned use of \$168,700 of a reserve established for state aid changes (\$917,740 remains after this planned use).

Fig. 4: GENERAL FUND SOURCES OF REVENUE



CITY OF APPLETON – 2012 BUDGET EXECUTIVE SUMMARY

GENERAL FUND EXPENDITURES

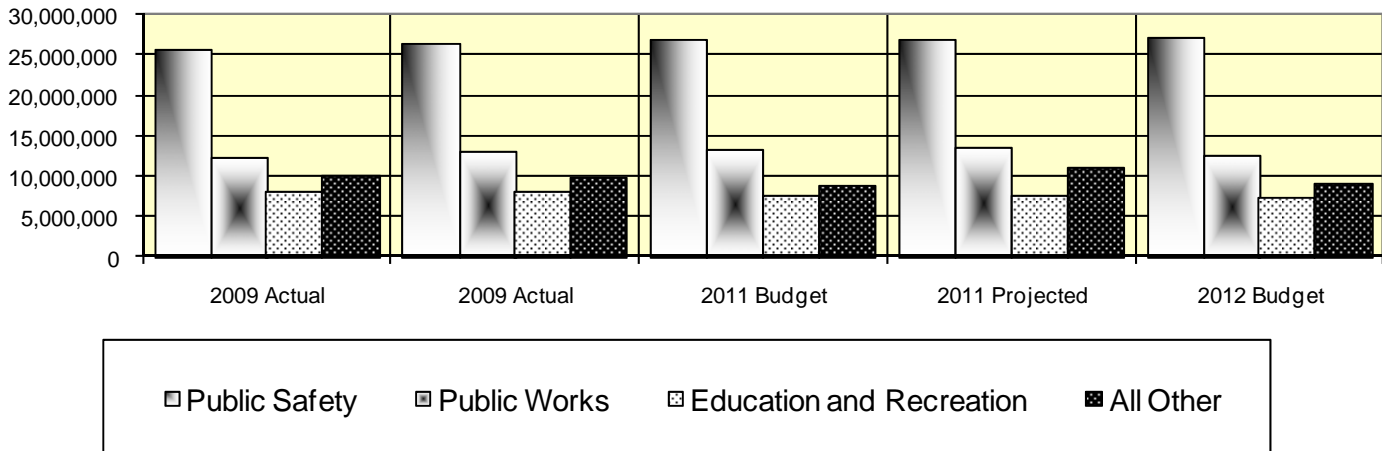
The General Fund accounts for the day-to-day functioning of city government, including maintenance of certain City-owned facilities and street maintenance and reconstruction projects.

Table 7: GENERAL FUND EXPENDITURES

Expenditures	2009 Actual	2010 Actual	2011 Budget	2011 Projected	2012 Budget
General Government	6,605,157	7,090,841	7,079,351	9,142,104	7,250,868
Community Development	1,048,326	1,049,501	1,183,416	1,171,454	1,115,406
Education and Recreation	8,102,910	8,029,094	7,452,244	7,463,519	7,201,073
Public Works	12,254,252	12,982,349	13,311,237	13,457,188	12,611,053
Public Safety	25,773,233	26,549,473	27,007,960	27,059,701	27,195,462
Total Expenditures	53,783,878	55,701,258	56,034,208	58,293,966	55,373,862
Other Financing Uses	2,470,191	1,656,953	604,390	604,390	563,470
Total Expenditures & Other	56,254,069	57,358,211	56,638,598	58,898,356	55,937,332

The largest single expenditure for the General Fund is for public safety, which in 2012 accounts for approximately 49% 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 23%) 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 13% of General Fund expenditures each.

Fig. 5: GENERAL FUND EXPENDITURES



GENERAL GOVERNMENT

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

	2009 Actual	2010 Actual	2011 Budget	2011 Projected	2012 Budget
The Common Council	122,786	126,277	106,035	106,035	111,170

CITY OF APPLETON – 2012 BUDGET EXECUTIVE SUMMARY

The Common Council

The legislative powers of the City are vested in the Council with the responsibility of establishing policy, adopting an annual budget and service plan and carrying out the duties defined by State Statutes and City Ordinances. In April of 2012, the number of districts in the City represented by alderpersons will decline by one to 15 as the result of redistricting. Because statutes provide for elected representatives to serve their full terms, this may result in one district being represented by two alderpersons simultaneously. Therefore this budget shows no reduction in personnel expense.

The 2012 budget reflects the addition of part time personnel expense related to taking minutes of committee and Council meetings. The total cost for 36 hours per month is estimated at \$7,697, including FICA, of which \$5,135 is included in the Council budget. The balance of \$2,562, representing 6 hours each per month for the Utilities Committee (allocated proportionally between Water, Wastewater and Stormwater) and Transit Commission, has been included in those budgets directly.

	2009 Actual	2010 Actual	2011 Budget	2011 Projected	2012 Budget
The Mayor's Office	268,511	317,020	268,218	271,124	263,746

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 City Guide 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 Urban Alliance and the East Central Wisconsin Regional Planning Commission

The 2012 budget increases printing expense for the City Guide by \$5,000 based on actual expenses incurred in the recent past, offset by increased advertising revenues.

	2009 Actual	2010 Actual	2011 Budget	2011 Projected	2012 Budget
Parks, Recreation & Facilities Management	2,151,725	2,179,498	3,980,888	3,970,000	4,057,537
Facilities Capital Projects	6,333,470	2,079,440	575,405	1,368,358	445,590
Energy Efficiency & Conservation Grant	0	270,012	0	419,788	0
Parks and Recreation	3,686,885	3,520,097	3,052,427	3,052,702	2,981,047
Forestry	16,755	0	0	9,2630	0
Peabody Estate Trust	0	48,968	0	0	0
Balliet Locomotive Trust	0	0	300	300	300
Lutz Park Recreational Trust	544,797	888	75,000	75,000	0
Park Open Space Fund	1,495	73,187	0	207,000	0
Union Spring Park	0	0	500	500	500
Universal Playground	945	790	7,500	7,500	2,500
City Park Project	0	0	200	200	200
Miracle League Field	0	0	1,000	1,000	1,000
Parks and Recreation Capital Projects	3,500	794,955	1,230,000	571,340	100,000
Reid Municipal Golf Course	541,224	554,149	561,809	564,809	549,118

CITY OF APPLETON – 2012 BUDGET EXECUTIVE SUMMARY

Parks, Recreation and Facilities Management

During 2011, Facilities, Grounds and Construction Management continued to serve as the owner's representative and provided oversight of the completion 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.

Also during 2011, a number of personnel changes were put in place, including replacing four eight-month park caretaker positions with three full-time caretaker positions and converting an existing full-time caretaker position to a full-time records specialist position. Additionally, the job position titles for the park caretakers were changed to "grounds coordinators" and the maintenance specialist position was downgraded to a facilities worker position to better reflect the expectations of the positions.

The 2012 budget reflects the reallocation of the 30% of the Utilities' Stock Clerk's position (\$22,618) back to the Water and Wastewater utilities, resulting from the department's move to the former Parks & Recreation building in Memorial Park, and an increase in janitorial services, largely the result of adding the Library to the cleaning contract. Cleaning the Library will now be a joint effort of the janitorial services contractor and Library staff.

In the 2011 budget, the Forestry function of the Parks & Recreation department was moved into the Department of Public Works to better take advantage of the synergies between the work loads of the arborists, equipment operators and laborers. Also in 2011, the responsibility for maintaining parkland, athletic fields, structures within parks, and other City-owned properties was transferred to the Facilities, Grounds & Construction Management department to centralize all maintenance of City-owned property. In the 2012 budget, the position of Parks & Recreation Director has been eliminated and replaced with a Superintendent of Parks & Recreation under the direction of the Director of Parks, Recreation & Facilities Management. Specific activities of the Parks & Recreation department are discussed below.

Facilities Capital Projects

Projects planned for 2012 are:

- AMP improvements, including ADA upgrades to the Jones building and paving from there to Miracle Field (\$85,000)
- Flooring replacements in the dance studios on the 2nd floor of City Center (\$30,000)
- Routine replacements of other walkways at Appleton Memorial Park (\$25,000).
- HVAC upgrades at the Municipal Services Building (\$45,000)
- Aquatics maintenance, including ADA upgrades and floor recoating at Erb Pool (\$150,000)
- Computer room upgrades, including additional cooling capacity, airflow improvements, server rack layout, surge protection, and the addition of a bypass mechanism for electrical maintenance (\$60,000)

Other projects under the supervision of the Parks, Recreation & Facilities Management Department are budgeted in the various enterprise funds.

Parks & Recreation

Parks and Recreation Department

The Parks and Recreation Department (APRD) is responsible for administering City recreational programs.

Specific objectives of the department include:

- Providing administrative services and support staff for the management of the recreation, aquatics and golf course divisions of the department
- Providing quality athletic fields for APRD youth/adult programs, casual/sandlot play, public and/or parochial school teams, and not-for-profit organized youth/adult sport programs
- Providing and maintaining parks, open spaces, and recreational facilities for use by the community
- Providing support services for other City departments and community events
- Maintaining trails and non-park City property for safe use by the public and the beautification of the city
- Providing year-round recreational opportunities for youth and adults in sports and leisure activities
- Providing swimming pool facilities, recreational swimming opportunities, and instructional services on a year-round basis

CITY OF APPLETON – 2012 BUDGET EXECUTIVE SUMMARY

As explained above, the 2011 budget transferred a number of responsibilities of the Parks & Recreation department to other departments to consolidate responsibility for similar functions and improve efficiency. In making these changes, the Parks and Recreation department moved to City Hall and the former Parks and Recreation building in Appleton Memorial Park became the home of the Facilities, Grounds & Construction Management Department. This move facilitated “one stop shopping” for customers who have multiple City transactions to handle (e.g. park pavilion rentals, park program sign-ups, tax payments, city services bill payments, etc.).

The 2012 budget takes this consolidation a step further and eliminates the position of Parks & Recreation Director and establishes that of Superintendent of Parks & Recreation under the direction of the Director of Parks, Recreation & Facilities Management (net expense reduction of \$28,076).

Forestry Special Revenue Fund

The purpose of this fund was to account for City efforts to promote and preserve Appleton's urban forest. As of the 2011 budget, this program no longer meets the Government Accounting Standards Board's (GASB) requirements for a Special Revenue Fund and has been merged with the Forestry function, responsibility for which was transferred to Public Works.

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. \$48,968 was spent in 2010 to install security lighting in the park. There are no projects planned for 2011 or 2012.

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 were completed in 2009. Part of this work was 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. \$75,000 is budgeted for 2011 to construct an open air gazebo near the fishing pier, providing a focal point for the park and recognition of the Lutz family for their support of the park. There are no further projects planned for 2012.

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 2011, this fund will be used 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) and the reacquisition of the WE energies property adjacent the site of the former water treatment plant along the riverfront (\$107,000). The reacquisition of this parcel has been budgeted for several years but has been delayed by the need for the State Department of Natural Resources to provide a closure letter to WE Energies prior to the property transfer.

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.

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.

CITY OF APPLETON – 2012 BUDGET EXECUTIVE SUMMARY

Miracle League Field

This fund provides for maintenance of the Miracle League Field. The Miracle League Field was available in June 2010 for the initial season. Installation of the rubberized playing surfacing and final landscaping were completed in September, after the summer program had ended. Limited expenditures are anticipated in 2012 due to the recent construction of the facility.

Park and Recreation Projects

This fund provides for a variety of Parks and Recreation capital needs. The 2012 budget provides for reconstruction of the Telulah park entrance road and connection to the Newberry trail (\$100,000). This project was originally planned for 2010 but has been rescheduled due to delays in the development of the RiverHeath project adjacent to the park, which will necessitate redesign of access roads and trail connections.

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 2012 budget reflects the elimination of the Parks & Recreation Director position, 5% of which was allocated to this fund, and the establishment of a Superintendent of Parks & Recreation position under the direction of the Director of Parks, Recreation & Facilities Management (net reduction of \$1,478). It also includes a one time expense of \$50,000 for replacement of the clubhouse roof.

	2009 Actual	2010 Actual	2011 Budget	2011 Projected	2012 Budget
City Assessor	558,982	566,972	540,791	540,791	518,200

City Assessor

The City Assessor is responsible for performing assessment and property listing duties (maintaining ownership, legal descriptions, addresses, etc) for the city. Public relations and education regarding assessment and tax issues is another important responsibility of the Assessor, as are timely and accurate responses to requests for information from property owners and the general public regarding assessment questions. Through the Open Book process and the Board of Review, the Assessor provides a forum for individual property owners to question their property assessments and ensures that those assessments are fair and equitable. Much of the property information maintained by the Assessor's Office is available via the My.Appleton.org link from the City's website.

The Assessor's office completed a revaluation of the Central Business District in 2011, with all work completed in-house with no additional funding. The 2011 locally assessed value increased \$28,895,300, which is an increase of 0.6% from 2010. Among other changes, this included \$49,193,400 in new construction, \$42,800 in annexations, and \$754,500 of formerly tax exempt property. The increase was offset in part by decreases of: \$3,009,600 in residential revaluation, \$14,867,500 in commercial revaluation, and \$2,673,600 of newly tax exempt property.

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. One goal for 2012 is to combine the Clearwater/Driveway inspection, required for the Stormwater management function of the Public Works department, with the Assessor's inspection on all home sales. To that end, field staff members from each department were trained and multi-licensed in 2011. This collaboration will result in more home inspections, less use of inspections vehicles, and better customer service.

CITY OF APPLETON – 2012 BUDGET EXECUTIVE SUMMARY

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. Major goals for 2012 are to begin the citywide commercial revaluation scheduled for 2013 and to inspect 4,000 of the approximately 11,500 homes not recently inspected that will need to be inspected for our next planned citywide residential revaluation in 2014.

In 2012, the department's vehicle fleet is being reduced by one to reduce expenses. This will entail closer coordination of inspection schedules between assessors and the occasional loan of a vehicle from the Central Equipment Agency (CEA).

	2009 Actual	2010 Actual	2011 Budget	2011 Projected	2012 Budget
Finance Department	922,736	960,751	934,488	934,488	891,996

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

This budget includes a reduction in bank investment fees as the result of the Accounting Manager taking on greater responsibility for management of short term investments.

	2009 Actual	2010 Actual	2011 Budget	2011 Projected	2012 Budget
Unclassified City Hall	3,915,308	3,378,753	2,425,177	4,502,296	2,544,768
Room Tax Administration	295,863	350,315	299,000	353,625	393,000
Housing, Homeless & Block Grants	1,301,491	1,569,302	1,721,138	1,756,138	632,144
Other Post Employment Benefits	34,626	0	12,697	45,482	61,435

Unclassified City Hall

Included are various expenditures that are not program or department-specific. Examples include reserves and contingencies, City Center facility expenses, and miscellaneous expenditures such as insurance and retiree pension payments.

CITY OF APPLETON – 2012 BUDGET EXECUTIVE SUMMARY

Salary adjustments to be covered from the wage reserve normally consist of General Fund non-represented staff performance adjustments, salary adjustments for any unsettled union contracts, and fluctuations in the cost of health insurance. Since the 2012 budget includes no cost of living increases or performance adjustments for any employees, no money is budgeted for the wage reserve in 2012. We will be requesting to carry over any available funds from 2011 to 2012.

The balance in the contingency fund is currently \$1,996,427, which includes:

- \$ 199,672 of deferred revenue from Time Warner Cable. This is the portion of the settlement to support public education and government ("PEG") access purposes and will be used to pay for equipment needed for videotaping Council proceedings
- \$1,086,440 State aid contingency (of which \$158,700 is planned for use in 2012 Budget)
- \$ 573,000 one percent maximum of 2011 Budget according to policy
- \$ 137,315 fuel contingency

It is assumed that the Council will carry over remaining contingency account funds from 2011 to 2012, therefore there are no new funds budgeted for 2012.

The 2012 budget includes the following:

- An increase in the expense allocation from Risk Management because those costs have increased due to losses experienced and to no longer having excess fund balance to apply to offset the cost of coverage
- An increase in severance pay for retirees and related fringe benefit costs to more closely reflect actual experience in current and prior years and anticipated retirements in 2012
- An increase of \$8,000 in condominium fees for City Hall
- A reduction of the general fund support to Valley Transit of \$62,243. The Valley Transit budget includes a route restructuring as recommended by the analysis of the fixed route system that was completed in 2011. As a result of this restructuring, one full time driver position has been eliminated.

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.

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
- Continuum of Care/Supportive Housing Program (COC/SHP) #1 and #2
 - Provide for adequate and successful operation of transitional and permanent supportive housing programs
 - Provide for expansion and successful operation of Housing First programming
 - Community Development Block Grant - Recovery Funds (CDBG-R) (All funds to be expended by December 2012)
 - Improve the quality of life in central city neighborhoods with the planting of several urban street trees
- Neighborhood Stabilization Program (NSP) (All funds to be expended by December 2012)
 - Address blighted, foreclosed properties with demolition, rehabilitation and redevelopment activities
 - Create four new units of affordable rental housing and three new affordable single-family homes

The Emergency Shelter, Homelessness Prevention/Rapid Rehousing Program, and Lead Hazard Control Grants have been discontinued.

**CITY OF APPLETON – 2012 BUDGET
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Other Post Employment Benefits (OPEB)

The Governmental Accounting Standards Board (GASB) considers other post employment benefits, such as the ability of retirees to purchase City health insurance, as part of the compensation employees earn each year, even though these benefits are not received until after employment ends. Retired City employees can continue to purchase health insurance from the City until they become eligible for Medicare, for which they self-pay 100% of the required premium equivalent amount.

In a standard OPEB valuation, the GASB's guidelines require that the OPEB benefit be based on the value of the health care benefit. An implicit subsidy exists when retirees and current employees are covered together as a group, wherein the premium equivalent rate paid by the retirees may be lower than it would be if the retirees were rated separately. The final GASB statements declare that, even if the retirees pay 100% of the premium equivalent, without a contribution from the employer, the employer is required to treat the implicit rate subsidy as an OPEB.

The City is required to have an actuarial study every two years to update the OPEB calculation. City staff update the information in the off year. The last study was completed in 2011 for the year ended December 31, 2010 and the next will occur in early 2013 for the year ending December 31, 2012.

	2009 Actual	2010 Actual	2011 Budget	2011 Projected	2012 Budget
Technology Services	1,570,644	1,642,249	1,653,974	1,577,702	1,629,895
Technology Capital Projects	345,514	214,206	70,000	145,900	400,000

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 mainframe 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 telephone and voicemail systems, Internet connectivity, and 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, the call recording system in use at the Police Department will be replaced in 2011 by a system that expands call recording options to all departments. TS is also in the process of studying the ramifications of replacing some PCs with "thin client" devices, a lower-cost alternative where computing power is less of an issue than network access, and migrating from our current Novell Systems-based network to one which is fully Microsoft-based.

The decrease in projected 2011 TS expense is due to a number of vacancies in the department, including that of TS Director.

Technology Capital Projects

This fund provides for a variety of Technology capital needs. For 2012, this fund will be used to account for the continued installation and upgrade of wireless network connectivity in all City buildings (\$250,000), development of electronic field inspection applications and purchase of related equipment for Public Works, Fire and Health field inspectors (\$75,000), and an upgrade to the network's Storage Area Network (SAN, \$75,000).

	2009 Actual	2010 Actual	2011 Budget	2011 Projected	2012 Budget
Human Resources	641,939	667,353	696,594	696,594	668,979
Risk Management Fund	2,087,248	1,503,110	1,253,556	1,359,556	1,251,903

CITY OF APPLETON – 2012 BUDGET EXECUTIVE SUMMARY

Human Resources

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

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

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

All labor contracts expired at the end of 2010, consequently the HR department was very busy through the end of 2010 and into 2011 negotiating with the various employee bargaining units. When the State government passed Act 10, the budget repair bill (BRB), it stripped all bargaining rights from employee unions, with the exceptions of Police, Fire and, later, Transit. Negotiations were successfully concluded with those three bargaining units and the HR department has developed a complete set of work rules, employment policies, and benefits package for non-represented employees, including all those formerly covered by the various collective bargaining agreements.

Major initiatives for 2012 include conducting a comprehensive compensation study and an actuarial study. The compensation study will cover all non-represented positions, including positions that were previously represented (prior to the BRB). These formerly represented employees are being paid based on the collective bargaining agreements that expired at the end of 2010 and comparisons with other municipalities, rather than on a market/competitive basis. The completion of a comprehensive study will ensure positions are accurately and fairly compensated based on market conditions, allow the elimination of the two-tiered pay schedule we currently administer, and allow employees to be included in the analysis of their positions. The actuarial study will be conducted with the assistance of our benefits consultant. The results of that study will help the City develop a strategy to comply with the requirements of the federal Health Care Reform Act. The goal of the study will be to provide tools for future planning and budgeting for medical insurance. Since both studies will benefit all departments City-wide, the cost of the studies (\$70,000 for the compensation plan and \$15,000 for the actuarial study) have been included in the employee benefit charge and is appropriated to each department across all funds.

In addition to these two studies, a major effort for the department will be the shift from negotiating and resolution of labor issues to employee relations. Training employees on benefit changes and the work environment without a collective bargaining agreement will be an immediate challenge, as will educating supervisors on their changing role as a result of the elimination of collective bargaining agreements.

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 Actual expense was unusually high due to expenses related to the ongoing Fox River cleanup process and to a relatively large number of workers' compensation claims. The Fox River cleanup process is proceeding on

**CITY OF APPLETON – 2012 BUDGET
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several fronts. The City is currently working with the government agencies involved to reach an agreement which would resolve the City's liability and remove the City from further litigation. The majority of the litigation costs are being reimbursed by insurance carriers, with 80% coming from CNA Insurance and 20% from Wausau Insurance. To date, \$1,214,446 in claims have been submitted and \$881,434 have been reimbursed. Reimbursement is slow but continues to be collected, with \$333,012 currently outstanding. Included in the budget for 2011 is \$50,000 of litigation costs for potential expenses that will not be reimbursed. The 2012 budget includes an additional \$15,000.

By 2000, due to years of favorable claims experience, a substantial fund balance had accumulated in this fund. Per governmental accounting standards, internal service funds are designed to break even each year, so it was unusual to have substantial amounts in reserve. A decision was therefore made to systematically reduce the fund balance over a number of years. A portion of the excess fund balance has been applied each year to offset expenses and reduce charges to the departments, thereby reducing the tax levy for those departments supported by property taxes, or user fees for the self-supporting departments. In 2004, an official fund balance policy was adopted to provide a calculation of the amount of excess fund balance that could be applied each year. From 2000 through 2010, the City enjoyed the benefits of utilizing a portion of these excess funds each year. Now, after 11 years, the fund balance has been decreased to the amount allowed by policy. To highlight the benefits of the use of these excess funds over the years, the total charges for services to the departments in 1997 was \$978,704. The total budgeted to be charged in 2012 is \$1,116,903; an increase of approximately 14% over a 17 year time span. However, with the conclusion of this systematic drawdown of excess fund balance to offset departmental charges in 2010, there was a resultant increase in charges beginning in 2011 that is reflected in other departments' expenses.

The 2012 budget includes a decrease in consulting services (\$8,000) related to an actuarial study. The actuarial study is done every other year and will next be completed in 2013. The budget also includes an increase for workers' compensation uninsured losses due to an increase in our 7 year average based on actual claim history. We have experienced a number of higher dollar workers' compensation claims throughout the City as well as a couple of large auto liability claims but, despite this recent claims experience, none of the individual claim amounts have reached our excess level, so our premiums have not been adversely affected. Additionally, our primary insurance carrier, the Cities and Villages Municipal Insurance Company (CVMIC), switched carriers for our employment practices liability insurance, which provided a lower rate. We also increased our self-insured retention level from \$300,000 to \$325,000 for our worker's compensation excess coverage and from \$175,000 to \$200,000 for general liability, both of which helped reduce premiums.

	2009 Actual	2010 Actual	2011 Budget	2011 Projected	2012 Budget
City Attorney & Clerk	1,074,442	1,088,419	1,058,464	1,117,464	1,185,584
Tuchscherer Disability Trust	6,391	6,391	6,391	6,391	6,391

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 2011 included work on the development agreements for the Eagle Flats, Emerald Valley, and ReiverHeath developments, work on the Foremost Farms brownfield acquisition, and work with outside counsel on the Fox River clean-up.

CITY OF APPLETON – 2012 BUDGET EXECUTIVE SUMMARY

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

In 2011, the City Clerk's office became the central service point for customers coming to the sixth floor of City Center. With the planned retirement of the current City Clerk at the end of April 2012, the Clerk's position will become appointed rather than elected and will report to the City Attorney. This budget includes funding to fill the City Clerk position one month prior to the current Clerk's retirement to allow for training (\$6,327) and an increase in pay for poll workers (\$12,000).

Fluctuations in the budget for the Attorney & 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 2011, there were three elections (two regularly scheduled & one recall), compared to four in 2010 and 2012, though there is a possibility of a fifth (gubernatorial recall) and sixth (primary for gubernatorial recall). In the event that the recall election(s) are held, we will need to look to our contingency fund or prioritize City services to cover those costs.

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

	2009 Actual	2010 Actual	2011 Budget	2011 Projected	2012 Budget
Community Development	1,048,326	1,049,501	1,183,416	1,171,454	1,115,406
Housing and Community Development Grants	558,315	623,077	665,472	665,472	542,244
Industrial Park Land Fund	202,544	224,937	478,945	278,945	223,413
Community Development Projects	52,036	5,180	850,000	351,215	5,260,679
TIF # 2	89,372	97,756	89,758	89,758	7,685
TIF # 3	2,291,372	2,389,733	2,975,852	2,975,715	3,000,605
TIF # 4	624,005	11,914,142	0	0	0
TIF # 5	161,725	102,905	127,079	127,079	125,678
TIF # 6	3,689,687	3,468,445	3,328,020	3,328,019	2,764,734
TIF # 7	18,027	134,958	47,328	99,582	267,507
TIF # 8	4,596	7,081	2,619	1,313,998	977,495
Northeast Business Park Escrow	0	2,609,726	1,163,200	1,650,297	238,576

CITY OF APPLETON – 2012 BUDGET EXECUTIVE SUMMARY

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.

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 Community 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.
- Geographic Information Systems (GIS) - The 2011 budget included the transfer of the GIS function from Technology Services to the Community Development department in a refocusing of GIS services from internal to external. All prior periods' data have been re-stated to reflect the change.
- Diversity – comprised of activities designed to create a fair, equitable, healthy and high-performing organization by encouraging and supporting diversity and inclusion in City employment and develop and implement community education programs about diversity issues through presentations, community awareness, prevention education and events. This program and the position of Diversity Coordinator were transferred from the Mayor's Office in the 2011 budget.

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

CITY OF APPLETON – 2012 BUDGET EXECUTIVE SUMMARY

- 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)
 - Improving the vitality of central city areas by addressing needs/concerns in 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 2012.

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 infrastructure. This fund is utilized for these purposes outside of the industrial/business park areas developed through the tax incremental financing district(s).

The 2012 budget includes \$12,400 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 \$10,213 in non-TIF infrastructure construction related to the further development of Southpoint Commerce Park, and \$200,000 in land purchases to repurchase lots in the Northeast Business Park that are not in compliance with the protective covenants for construction.

Community Development Capital Projects

This fund provides for a variety of community development investments.

The 2012 budget will support the redevelopment of the site of the Washington Place building in the downtown area (\$512,560), the continuation of the GIS software upgrade begun in 2011 (\$50,000), the renovation of Houdini Plaza (\$1,500,000, of which community support will be secured for 1/3 of the cost), and land acquisition and infrastructure improvements for an exposition center to be built on land currently owned by Outagamie County in the downtown area (\$3,198,119).

TIF District revaluation by Department of Revenue

The state Department of Revenue (DOR) modified the valuation process of Tax Incremental Districts in 2010, having detrimental impacts on TIF District Three for 2011 (reduction of \$7,709,170). Specifically, greater reliance is now being placed upon locally assessed values to ensure the increment captures local tax base changes in the specific area such as market appreciation or depreciation, new construction or demolition versus the global city/area economic adjustment the State made to these values in the past. The City is experiencing an adjustment in one year for valuation inefficiencies the State determined over the lives of these districts. These changes will have far reaching implications into the future for the City.

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 \$245,305, the entire remaining balance of advances made during the early years of the district. The district will close in 2013 upon completion of a closeout audit.

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.

CITY OF APPLETON – 2012 BUDGET EXECUTIVE SUMMARY

The City convened the Joint Review Board in 2011, which approved designating this district as distressed after suffering a reduction in valuation of \$15,445,800 due to state assessment procedure changes as discussed above and a decrease in value for Richmond Terrace. The values as of 1-1-11 included an additional decrease in value for Richmond Terrace but we believe the valuation of this property has stabilized and that there is the potential for future increases as it nears full occupancy.

In 2012, the General Fund will have a net advance of \$14,404,759 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).

Tax Incremental District #4 closed in 2010, with funds segregated in a capital projects escrow account for the remaining cost of projects outstanding. The remaining cash balance was dispersed in 2010 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 2011. In 2010, TIF District # 5 returned \$23,898 to the General Fund on advances made during the early years of the district, which was the remainder of the outstanding balance of advances. No projects are planned for 2011 or 2012.

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 2012 Budget provides funding for maintenance and marketing of property (\$39,525). The balance of the budgeted expenses for this fund are for debt service on the money borrowed to finance capital investments, audit expense, a developer-funded tax incentive payment, and preparatory work for future infrastructure projects. TIF #6 received an advance from the OPEB Fund of \$1,025,000 in 2010 and of \$275,000 in 2011, along with an advance from the Debt Service Fund of \$801,250 in order to meet debt service obligations. This was needed because of the state assessment procedure changes discussed above and to slower land sales and development than originally projected. There is no further advance in 2012.

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

The area of South Memorial Drive from Calumet Street to State Highway 441 had deteriorated significantly over the ten years preceding creation of TIF #7 in 2007. The abandonment of the Valley Fair Mall and the under utilization of various retail and service buildings led the City to create 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. Projects completed to-date include the construction of a new Copps grocery store on the site of the former Valley Fair Mall, construction of a gas station / convenience store, and renovation of a movie theater.

The 2012 Budget provides for a developer-funded tax incentive payment of \$264,280.

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. 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,

CITY OF APPLETON – 2012 BUDGET EXECUTIVE SUMMARY

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.

Two key sites in TIF #8 are 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 once the demolition of the building is completed and is budgeted for 2012.

Northeast Business Park Escrow

As noted above, TIF District # 4, closed in 2010, with funds segregated in this capital projects escrow account for the remaining cost of projects outstanding. The remaining cash balance was dispersed to the participating tax entities according to the applicable percentage of the tax rate. In 2012, this fund will be used to account for \$236,576 in street paving infrastructure projects. These projects will utilize the balance remaining in the escrow fund and the fund will be closed out.

LIBRARY / TRANSIT

	2009 Actual	2010 Actual	2011 Budget	2011 Projected	2012 Budget
Library	4,416,025	4,508,997	4,399,817	4,410,817	4,220,026
Library Capital Projects	0	111,432	408,800	408,800	0
Frank P. Young Memorial	700	1,000	550	900	0

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.

2011 accomplishments have included:

- Increased library utilization over 2010 – circulation expected to top 1.5 M items in 2011, meeting room use was up 58% in 2010 over 2009 and an additional 11% in 2011, and an average door count of approximately 49,000 patrons per month
- Increased volunteer hours by 31% for the first half of the year, compared to the comparable period of 2010
- Completed of the materials tagging portion of Radio Frequency ID (RFID) project and on track to have the automated materials handling equipment installed by year-end
- Installed new self-check machines and security gates

Major 2012 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; complete implementation of the RFID system
- 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 2012 budget includes a .5 FTE reduction of a Library Reference Assistant position (\$31,564), the replacement of Marketing Development Coordinator position with a lesser pay grade marketing Assistant position (net reduction of \$24,982), no increase in materials acquisition budget due to budget constraints, and an approximately \$30,000 reduction in building maintenance staff salaries due to redefining the responsibilities of those positions, offset by an increase in building maintenance charges from the Facilities, Grounds and Construction Management department as Library cleaning duties are transferred from Library staff to the City's janitorial service supplier.

**CITY OF APPLETON – 2012 BUDGET
EXECUTIVE SUMMARY**

Library Capital Projects

This fund is used to account for various Library capital projects. In 2011, this fund will be used to pay for radio frequency identification (RFID) tags for materials and the equipment process RFID tagged materials. Initially formulated as a four-year project, experience gained in 2010, the first year of materials conversion, led to a much accelerated project slated for completion in 2011. This system will improve the efficiency of materials handling and will be portable to an eventual new library building.

There are no further projects planned for 2012.

Frank P. Young Memorial

This fund is used to account for assets restricted for purposes of generating investment income to provide for scholarships in Library Science. No award is planned for 2012 to allow earnings to accumulate.

	2009 Actual	2010 Actual	2011 Budget	2011 Projected	2012 Budget
Valley Transit	7,845,063	8,231,848	8,774,901	8,774,901	8,442,138

Valley Transit

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

Bus ridership through the first five months of 2011 was up more than 13% over the same period in 2010, and the trend of riders switching from cash fares to tickets and passes has continued. The partnership with the Appleton Area School District (AASD) continued in 2011, enabling all AASD students to ride any Valley Transit bus any time by simply presenting a student ID card. AASD pays Valley Transit a fixed amount each semester for the service. Over 117,000 rides were taken during the 2010 pilot period and students' ridership increased 79% in the first half of 2011.

Major 2012 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 expected loss of federal funding that will result from the urbanized area population exceeding the 200,000 resident threshold;
- Continue to strengthen partnerships with community organizations;
- 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 2012 reflects the following:

- A slight decrease in fuel cost, budgeting at \$3.15 per gallon based on City projections and current usage;
- A restructuring of fixed-route service based on the results of a study of all routes and ridership; the budget reflects the conversion of one full-time driver position to two part time (approximately .7 FTE each) and the elimination of a second full time driver position;
- 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 other local partners. All other costs for both programs are funded by federal and state grants.

**CITY OF APPLETON – 2012 BUDGET
EXECUTIVE SUMMARY**

PUBLIC WORKS

	2009 Actual	2010 Actual	2011 Budget	2011 Projected	2012 Budget
Public Works	12,254,252	12,982,349	13,311,237	13,457,188	12,611,053
Sanitation	2,968,609	3,416,599	3,499,254	3,499,254	3,472,253
Safe Routes to Schools grant	40,370	0	0	25,540	0
Subdivision	2,236,352	1,342,479	1,649,667	1,704,309	1,661,662
Public Works Capital Projects	4,552,901	672,972	280,452	1,453,213	1,334,024
Parking	2,650,193	2,764,760	2,876,216	2,876,216	2,785,825
CEA	4,614,346	4,886,421	4,879,461	5,031,879	5,085,893
CEA Replacement	2,033,984	1,426,080	2,266,251	2,400,000	1,759,027

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 2012 budget reflects the following:

- Conversion of two full time Engineering Technician positions to two eight-month positions (\$44,099); and
- Replacement of one full time Arborist position with a newly created position of Laborer with CDL (\$10,586).

Other significant items reflected in the 2012 budget are as follows:

- Two major downtown re-paving projects - Washington St from Division to Appleton and from Morrison to Drew, and Soldier's Square from Morrison to Oneida; allowing the portion in front of the Washington Place building to remain open through 2012 to aid in the demolition of the building (see Community Development Projects). The remaining section of Washington St, from Appleton to Morrison, will be completed in 2013. Funding for colored concrete in crosswalks and terrace areas (\$41,300) was deleted.
- Replacement of existing fences along the north side of State Highway 41 – this is a state initiated project for which the City is expected to be billed \$111,800 for its portion of the cost. Approximately 31% of this cost (\$34,900) will be billed by the City to affected property owners as special assessments.
- On-street bike lane marking - This budget includes the cost (\$40,000) to provide signage and pavement marking for on-street bike lanes. This is the second year of implementing a City-wide on-street bike lane plan.
- An increase of \$40,000 for contracted snow removal services for neglected, main, and arterial sidewalks and priority crosswalks based on recent history.

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 2012 budget reflects the following changes:

- Implementation of new yard waste site hours (summer: both sites 9 AM – 7 PM Friday through Monday, winter: Glendale site only, 9 AM – 5 PM Friday through Monday).

CITY OF APPLETON – 2012 BUDGET EXECUTIVE SUMMARY

- An increase of \$2 per bag for disposal of grass clippings and a \$5 increase in the minimum charge for overflow refuse collection (minimum charge does not apply to the monthly free overflow collections).
- An increase in budgeted tipping fees due to a \$2 per ton increase in the recycling fee.

A major goal for 2012 is to encourage residential recycling, thereby reducing the amount of solid waste to be both hauled and disposed of.

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 was available for 2010 or 2011.

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 2011 budget includes no 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 to comply with the fund balance policy as well as the City cost share of the concrete streets remaining under the previous program.

Public Works Capital Projects

This fund provides for a variety of Public Works capital needs. For 2012, this fund will be used to account for:

- Traffic signal equipment improvements (\$37,000),
- Expansion of the traffic camera program (\$56,000),
- Bridge improvements (\$641,000);
- Street lighting improvements (\$50,000);
- Traffic sign retro-reflectivity replacement (\$300,000)
- Portable radio replacement to comply with FCC narrow-band system mandates (\$50,000; and
- Replacement of non-CEA equipment (Prentice loader, \$225,000).

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. The 2011 budget included \$10,000 to develop and implement a marketing plan for a customer service based downtown parking system. Efforts for 2012 will include advertising, signage, lighting, etc. (\$5,000 advertising, \$10,000 ramp LED information signage, & \$20,000 for decorative lighting), based on recommendations from the ad-hoc parking committee, which consists of a diverse cross-section of downtown businesses and customers. The budget also includes:

- A .5 FTE reduction in enforcement staff, partially offset by an increase in part time cashier hours (net reduction of \$22,023),
- \$20,000 for the next phase of security camera installations,
- \$13,000 for light bulb replacement (done on a 3 year cycle),
- \$59,860 for special assessments related to the reconstruction of Washington St., and
- an increase of \$12,000 for snow removal from ramps, based on recent experience.

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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 2012 budget reflects:

- A reduction in the CEA fleet size –One Street Division truck and one Water Division air compressor have been eliminated
- An increase in fuel expense (up approximately \$177,000 from the 2011 adopted budget - Unleaded and diesel fuel is budgeted at \$3.29 and \$3.36 per gallon, respectively, versus \$2.63 and \$2.83 per gallon in 2011)
- As a trial for 2012, the budget includes funding for 1.5 Serviceman positions, though without reducing the table of organization from 2, pending evaluation of the trial period

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

	2009 Actual	2010 Actual	2011 Budget	2011 Projected	2012 Budget
Health Services	1,144,480	1,156,911	1,222,659	1,194,381	1,150,573
Health Services Grants	361,407	325,301	299,535	296,313	183,469

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. With the decline in funding of the bioterrorism grant for 2012 (see below), .5 FTE of an Administrative Secretary position has been reallocated back to the general fund portion of the Health Department, the .75 FTE of a second Administrative Secretary position allocated to Health has been reduced to .5 FTE, and those support activities performed by the Fifth Floor Customer Service Area clerical pool have been reabsorbed into the Health Department.

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 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. Advances in electronic reporting for both this program and the weights and measures program have permitted the reallocation of .1 FTE of Environmentalists' time back to this program and the elimination of a .5 FTE Environmentalist position. This budget also reflects a 5% increase in the environmental health annual license fee that was adopted in 2011.

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The weights and measures inspectors provide consumer protection through complaint investigation, measurement and weighing device testing, price scanning system inspection, product check-weighing, 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 2012 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 154 days of certification services, compared to 77 days in 2004, the first full year of the program. The rate for these services for 2012 is \$406 per day. The budget for this program also reflects a \$5 increase in the base licensing processing fee (from \$35 to \$40) and a \$2 increase in the petroleum pump fee (from \$15 to \$17) adopted in 2011.

Health Services Grants

In addition to its various responsibilities described 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 2012, this program will provide approximately 15 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 nearly 11,000 individuals in 2009 (due to H1N1 immunizations), over 6,000 in 2010, and is expected to serve approximately 1,000 in each of 2011 and 2012.
- 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 2011 supported the Walk to Win campaign to encourage regular exercise. The grant has been discontinued for 2012.
- 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 public health emergencies which may result from bioterrorism or a naturally occurring event such as an influenza pandemic. 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 year's budget. In 2010, the three consortia within Northeast Wisconsin blended into one consortium serving 28 agency members, with Brown County serving as the fiscal agent of the larger consortium. 2012 funding for this effort is further reduced and the Education Specialist position, which has been held vacant since the departure of that individual, has been eliminated (\$71,794) and the .5 FTE of an Administrative Secretary position has been reallocated back to the General Fund portion of the Health Department (\$31,836). Agreements have been reached with Manitowoc, Marquette Waupaca, and Waushara counties and the Cities of Oshkosh and Neenah to provide staff support for preparedness planning activities.

**CITY OF APPLETON – 2012 BUDGET
EXECUTIVE SUMMARY**

	2009 Actual	2010 Actual	2011 Budget	2011 Projected	2012 Budget
Police	14,868,113	15,289,849	15,455,180	15,570,299	15,576,658
Police Grants	45,720	237,695	0	74,000	90,000
Public Safety Capital Projects	446,481	71,654	1,587,500	0	1,664,000

Police

The Appleton Police Department is a community responsive law enforcement organization that strives to fight crime and solve 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 2011 include:

- Provision of 252 hours of police security by 27 officers at the State Capitol in February in response to a mutual aid request following the introduction of collective bargaining changes by Governor Walker;
- Technology upgrades, including installation of the CAPSIT master scheduling program, and the beginning of an 8 hour / 12 hour schedule for patrol officers as a one year trial; and
- Continuation of patrol district community policing, involving enforcement, problem solving, and relationship building within the community.

Specific objectives for 2012 include:

- Continue to evaluate radio equipment and infrastructure in anticipation of the Federal Communications Commission's (FCC) mandate to convert to the digital spectrum by 2013; and
- Continue to develop crime fighting and problem solving efforts through partnerships, monitoring law enforcement trends, improved communications, and developing collaborative efforts with other organizations and businesses in the community.

The 2012 Budget includes:

- A restructuring of civilian staff to provide greater efficiency and more integration in support service functions. The net result spread over all the Police budgets is a \$69,467 savings in salaries and fringe benefits. Personnel changes include the elimination of the full-time Police Communications Supervisor position (-\$88,207) in the Public Communications budget; the elimination of a part-time (.5) support services assistant (-\$18,092) in the Support Services budget; and the elimination of a part-time (.5) payroll assistant (-\$18,316) coupled with the addition of a full-time Administrative Support Assistant (\$55,148) in the Executive Management program.
- Expansion of the use of aircards for in-squad PC connections to City and County computing resources (\$33,707).

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 2011 Projected of \$85,332 represents revenues and expenditures associated with grants from the State of Wisconsin to assist the Police department in enhancing pedestrian and bicycle safety (\$4,000), alcohol and speed enforcement (\$35,000 each), and from the Federal Department of Justice Byrne Grant (\$11,332). The 2012 grant budget includes anticipated funding through the Wisconsin Department of Transportation Highway Safety Grant, the Wisconsin Alcohol, Tobacco, Firearms and Explosives, and the Federal Department of Justice Byrne Grant.

Public Safety Capital Projects

This fund provides for a variety of Public Safety capital needs. For 2012, this fund will be used to account for replacement of all Police patrol and Fire portable radios with units meeting the recently developed P25 standard for communication between emergency responders (\$587,500). and for the first year of development of an integrated trunked narrow band radio system to replace the City's current VHF and UHF system (\$1,000,000).

**CITY OF APPLETON – 2012 BUDGET
EXECUTIVE SUMMARY**

Both of These projects had been budgeted for 2011 but were delayed pending decisions on the design of the narrow band radio system and selection of a vendor.

This capital projects fund also includes the replacement of all of the sections of fire fighting hose that are currently 19 years old or have failed recent tests and 30 sets of fire fighting personal protective equipment (i.e. turnout gear). The hose replacement will get the Fire department back on track to be able to replace hose incrementally through the operating budget. Also, when a piece of equipment is replaced in the future, all hose associated with it will be replaced at the same time.

	2009 Actual	2010 Actual	2011 Budget	2011 Projected	2012 Budget
Fire	9,760,640	10,102,713	10,330,121	10,295,021	10,468,231
HazMat Level A	192,663	56,668	87,913	87,913	137,913

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 2011 include:

- Implementation of the State of Wisconsin Mutual Aid Box Alarm System (MABAS), which not only allows the department to better utilize and manage mutual aid response, but also provides a wealth of additional resources, as the mutual aid extends beyond our previous individual department mutual aid agreements and provides access to resources from throughout the State of Wisconsin;
- Implementation of closest unit dispatching based on the exact location of the vehicle using the computer aided dispatch (CAD) system, which selects the appropriate type of fire apparatus that is closest to the scene; this has reduced the time it takes to get a vehicle to the scene; and
- Provision of training classes to increase the number of responders trained to a higher level in various aspects of technical rescue, including structural collapse, confined space, and swift water.

In 2012 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 2012 Budget includes :

- Elimination of one Administrative Clerk position (\$63,433); and
- Replacement of a thermal imaging camera (\$10,000).

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.

Funding for this program has been renewed by the State through the end of 2011. No funding for 2012 has yet been determined, pending an evaluation of capacity and recommendations for changes to the existing structure of the hazardous materials response teams. Contract extensions through mid-2012 are expected to keep the program operating while the State completes its evaluation. The Appleton Fire Department will continue to provide hazardous materials response in 2012 using unexpended grant funds received in previous years, but the future of the Notheast Regional Hazardous Materials Response Team is unclear at this time.

**CITY OF APPLETON – 2012 BUDGET
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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 utilities, golf course, Valley Transit, and internal service funds), 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 has the top credit rating of Aaa on its General Obligation debt and keeps G.O. borrowing below 20% of the legal debt limit as a matter of policy.

Debt Service Funds	2009 Actual	2010 Actual	2011 Budget	2011 Projected	2012 Budget
Debt Service Funds	8,520,075	8,615,153	8,631,675	8,631,675	7,782,441

There will be no general obligation borrowing in 2011 due to available funds for the small capital improvements plan for 2011. Several of the 2011 projects have been delayed until 2012. Due to cash flow issues in Tax Incremental District #6, \$781,707 was levied in 2011 to fund debt service requirements. This is included in the Debt Service Fund Advance of \$801,250 referred to in the TIF # 6 discussion above (includes interest at 5%).

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.

	2009 Actual	2010 Actual	2011 Budget	2011 Projected	2012 Budget
Water Utility	15,893,399	16,252,155	17,848,797	17,414,840	17,238,550

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 2012 Budget for treatment operations includes the following:

- Reallocation of a portion of the Utility Stock Clerk position from Facilities, Grounds & Construction Management (.15 FTE, \$11,309);
- Addition of part-time personnel to provide minutes of Utilities Committee meetings (\$7,697 total, of which \$427 is allocated to the Water Utility);
- Planned maintenance projects on the aqua ammonia system, lake intake diffuser, pump drives at the Lindbergh pumping station, and the continuation of sludge pump rebuilds;
- A 30% decrease in the cost of fluoride as the result of approval to reduce the level of fluoride in the water to .7 mg/l (from 1.0); and

CITY OF APPLETON – 2012 BUDGET EXECUTIVE SUMMARY

- Replacement of ageing filtration membranes.

The budget for treatment capital projects includes the following:

- Pressure zone control valve stations (\$215,000);
- Secondary membrane treatment (\$500,000); and
- Diesel generator emissions upgrade (\$245,000, required to continue to provide peak-load capacity under an agreement with WPPI Energy that provides the utility with revenues of approximately \$100,000 per year)

The budget for distribution includes a ruggedized laptop computer, capable of running GIS mapping software, for the water construction service truck (\$3,000) and a reduction in the number of meters tested and batteries replaced to the minimum allowed by the PSC in anticipation of replacing all residential meters and meter reading equipment between 2013 and 2016. Infrastructure capital improvements are budgeted at \$2,304,260.

A 10% rate increase was implemented on December 31, 2010. The water utility will file a request for an inflationary increase of approximately 3% to the Public Service Commission shortly after completion of the annual report to the PSC that is due on April 1, 2012, provided that the utility's rate of return is below the PSC-approved target rate. Prior benchmark rates have averaged between 6% and 6.5% and the city's rate of return as of December 31, 2010 was 6.27%. A public notice will be given at the time of application with an approved rate increase effective at least 45 days from the notice.

	2009 Actual	2010 Actual	2011 Budget	2011 Projected	2012 Budget
Wastewater Utility	11,108,986	11,131,634	11,492,348	11,393,339	11,134,109

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 wastewater utility budget includes funding for various necessary capital improvements in both treatment and collection systems. In addition to \$3,381,131 of infrastructure construction projects, the 2012 Budget includes the following:

- \$ 60,000 for a trailer-mounted emergency generator for use at lift stations;
- \$100,000 to continue evaluation of composting as way to provide long-term sludge storage capacity;
- \$125,000 for the first phase of installation of a fire protection system in the plant;
- \$100,000 to replace the roof on the sludge thickener building (building L);
- \$ 35,000 for improvements to the entrance roads to the plant area; and
- \$ 5,000 for engineering for future receiving station upgrades.

The budget also reflects the following operating changes:

- Reallocation of a portion of the Utility Stock Clerk position from Facilities, Grounds & Construction Management (.15 FTE, \$11,309);
- Addition of part-time personnel to provide minutes of Utilities Committee meetings (\$7,697 total, of which \$427 is allocated to the Water Utility);
- A reduction of \$150,000 in natural gas usage following completion of a capital project allowing use of waste digester gas in the plant heating system and a reduction of \$150,000 in electrical usage as the result of the replacement of the blower in the activated sludge process with an energy efficient variable speed drive high pressure blower;
- External maintenance on both primary digesters (\$150,000)
- A City-wide flow monitoring project to identify inflow / infiltration areas of concern (\$100,000)

**CITY OF APPLETON – 2012 BUDGET
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The 2011 budget included a rate increase of 5%, effective July 1, 2011. A tiered rate system for special hauled waste from outside the service area went into effect January 1, 2010. No further rate increase is expected until 2014, when a rate increase of approximately 8% is projected to go into effect.

	2009 Actual	2010 Actual	2011 Budget	2011 Projected	2012 Budget
Stormwater Utility	5,713,721	6,228,172	6,096,460	6,148,065	6,144,211

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. The Stormwater billing rate of \$108.88 / Equivalent Residential Unit (ERU, a measure of impervious surface area) was implemented on March 1, 2006 and remained in effect through June 30, 2010. A 15% increase, to \$125.00 per ERU took effect July 1, 2010. Based on current projections for revenues, expenditures, and the five year capital plan, the next increase is projected for July 1, 2013, and is expected to be approximately 24%.

This budget reflects a relatively higher level of stormwater facilities construction (\$9,657,124), which includes the planned Theodore St. Phase 1 flood storage project (\$6,000,000). The 2012 budget also includes an increase in training and software support (\$21,650 combined), which will allow staff to perform some of the stormwater modeling previously contracted out, reducing consulting fees \$187,300.