

City of Appleton, Wisconsin



2011 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. Woodworth, 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

January 1, 2011

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

Dear Appletonians:

I present to you the 2011 Budget and Service Plan, including the five-year Capital Improvement Plan. Total expenditures for the 2011 Budget are \$146,717,035. This budget concentrates on providing core everyday operations and services by implementing continuing improvement efforts to serve our community effectively during challenging local, state and national economic conditions.

The goal again this year for the budget was for our property taxpayers to see little change in the taxes needed to support City services. With this as the goal, factors having a major impact on the development of the 2011 Budget include:

- Department of Revenue (DOR) modified the valuation process for Tax Incremental Districts, having detrimental impacts on Tax District Three (reduction of \$7,709,170) and Tax District Six (reduction of \$3,728,769). Specifically, greater reliance is now being placed upon locally assessed values to ensure the increment captures tax base changes in the local 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.
- Wisconsin Retirement Rates increased 0.6% for general employees and police and 0.8% for fire.
- The number of citizens electing five-year payment options to pay special assessments has increased, thereby reducing cash flow in the Subdivision Fund. This budget includes \$900,000 of tax levy funds placed into this fund in order to comply with the Fund Balance Policy established.
- The sluggish economy has halted land sales in our industrial parks. Tax Incremental District Six cannot meet cash flow requirements for existing debt service, therefore, \$781,707 has been levied to the general public to meet those requirements. Marketing efforts are a focus for 2011.
- State aids overall remain flat from 2010.

Development of the 2011 Budget began in February of this year when all departments again engaged in developing a budget matrix that detailed the tasks and functions within each department. This

exercise was designed to help us focus on our priorities as a city and as an organization. The process also helped focus our discussions around viewing our resources as City resources and not just departmental resources. This is a continuation of the process we began to use last year.

When analyzing the budget matrices this year, staff identified functions that were the same or similar across two or more departments. Two major areas of discussion emerged from this analysis. The first was the daily operations in Public Works, Facilities and Parks and Recreation. Our analysis concluded that these departments have similar areas of responsibility. For instance, both Facilities and Parks and Recreation have responsibilities to maintain buildings as well as grounds. In addition, all three departments have some degree of responsibility for snow removal. There are now varying degrees of skills, equipment, management and other resources in each department dedicated to these responsibilities.

This budget proposes the realignment of personnel and other resources to accomplish the same tasks in a more efficient manner. Major changes include the transfer of the Forestry division of Parks and Recreation to Public Works to take full advantage of the collaboration that has existed in this area for several years. This budget also includes the transfer of the maintenance and care of our parks and park facilities to the renamed Department of Facilities, Grounds and Construction Management.

For many years the labor resources in the Department of Public Works, as well as the supervision of that labor, have been dedicated to areas of specific responsibility such as streets, sanitation, water and sewer. To achieve greater efficiency and flexibility in staffing, this budget proposes the creation of operations pools within the Department of Public Works based on the skill levels of the employees in each labor pool. This budget also proposes the creation of a Foreman Pool to manage and allocate labor based upon the highest priority needs of the City on any given day, week or other period of time.

The second major area of discussion coming out of the analysis of the budget matrices was the area of clerical support within City Hall. The current organizational structure of the City has ten departments located in City Hall, with each department having some level of dedicated clerical support. The current structure of City Hall assumes that our citizens and visitors know exactly which department is responsible for which service within City Hall. An additional current concern at City Hall in recent years has been the security, or lack thereof, for both employees and visitors.

Taking all of this into consideration, staff discussed opportunities to become more efficient with our clerical support, while enhancing customer service and security within City Hall. This budget proposes the creation of clerical pools on each floor of City Hall to provide a central customer service point of contact as well as clerical support to departments on those floors. Doing so also allows us to keep minimum staffing while still addressing the “peak” work times for each department.

The changes to City Hall also include the relocation of the Parks and Recreation programming functions from their current location in Memorial Park. While this relocation may be a change for our citizens, it will provide a “one-stop” way for customers to register and pay for Parks & Recreation programs while conducting other business in City Hall. This change also allows Parks & Recreation staff to contribute to and take advantage of the collaborative clerical support in City Hall to meet their peak customer times as well.

In an effort to better market the City as a whole, this budget also proposes to transfer the GIS function and staff from Technology Services to Community Development. GIS has become a valuable tool used by almost every City department to more efficiently organize and utilize data to help us provide services. This transfer represents a change of focus for our GIS resources to recognize the role they can play in providing helpful information to not only our internal departments but also important external customers that can help the City retain and attract businesses.

In recognition of the challenges our citizens are facing in these tough economic times, this budget contains no wage, salary or performance adjustment increases for non-represented staff. Also, all call time and standby pay has been eliminated for non-represented staff in DPW, Facilities, Parks & Recreation, Technology Services and Valley Transit. Additionally, this budget includes increased contributions from non-represented employees for both the City- provided Health and Dental insurance plans. Although all union contracts expire at the end of 2010 and have yet to be negotiated, this budget contains no provision for cost of living increases for represented staff.

In analyzing all of these changes, it is important to keep in mind that our goal is to find ways to be more efficient with the resources that our citizens entrust to us while staying true to our mission of meeting the needs of the community and enhancing the quality of life. This means that we will continue 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. But it is even more important today as we face a challenging and uncertain economic future.

FISCAL

- Taxes – Overall, this budget includes a decrease in levy-related expenditures of 0.45%; however, that is offset by a decrease of 3.39% in revenues, resulting in a tax levy increase of 1.79%. The increase in the levy, coupled with the growth of the City's tax base of only 0.64% (minimal new construction of 1.48%), 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. During 2010, Moody's Investor Services recalibrated all municipal ratings to align with the public sector. The City is now one of five municipalities in the state to attain the Aaa rating stature. This rating enables the City to borrow for various construction projects at very low interest rates, which in turn saves our taxpayers and ratepayers significant dollars (range of 0.25% to 1% lower interest rates). We have also maintained up to 1% of the 2011 General Fund Budget in the reserve for contingencies (\$573,000) and retained the reserve for state aid changes (\$600,000) 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.
- Personnel – The 2011 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 14.45 full time equivalent [FTE] positions). As noted above, call time has been eliminated for multiple departments, and all pay rates have been held at 2010 levels, with no cost of living increases and no performance adjustments for non-represented staff. While union contracts have not yet been negotiated, there are no funds included in this budget for a cost of living increase for represented staff either. In analyzing the personnel reductions, the goal was to find ways to reduce the City's overhead and maximize our remaining resources while limiting the impact on our ability to provide services to our citizens.

COMMUNITY AND ECONOMIC DEVELOPMENT

Development related projects in this budget include:

- Industrial and Business Park Development – The 2011 budget includes funds for maintenance and marketing of the remaining 15 acres of land in the City's Northeast Business Park (\$21,400) and non-TIF infrastructure construction related to the further development of Southpoint Commerce Park (\$99,135) and to repurchase lots in the

Northeast Business Park that are not in compliance with the protective covenants for construction (\$200,000).

- Community Development Capital Projects – The 2011 budget also includes funds for land acquisition and redevelopment in support of the City's Comprehensive Plan (\$500,000) and the start of redevelopment of the Houdini Plaza/Soldiers Square area (\$250,000).

UTILITIES

- Water – The budget continues to focus on replacing aged distribution and transmission mains (\$2,721,702). The Water Utility completed a water rate study earlier in the year that is under consideration by the Wisconsin Public Service Commission (PSC). The Public Service Commission has completed the revenue requirement which reflects a rate increase of 9.5%. The PSC is now completing the cost of service allocation that will determine how the increase will be spread across the various classes of customers and rate types.
- Wastewater – The wastewater collection system capital improvements continue to focus on major interceptor rehabilitation to maintain the system at a level that will accommodate growth and increased wastewater needs for our community, as well as other typical reconstruction projects prior to paving (\$4,499,888). A rate increase of 5% will be effective July 1, 2011 for the service area that was delayed in 2010 to assist consumers during the downturn in the economy.
- Stormwater – This budget reflects a relatively lower level of stormwater facilities construction (\$2,248,691) in anticipation of a significant project planned for 2012 (Theodore St. Phase 1 flood storage) and in order to complete 2010 projects already underway, that will carry over into 2011. A 14.8% rate increase, to \$125 per ERU per year, went into effect July 1, 2010 and we anticipate these rates to be in effect until late 2013.

PERSONNEL

The 2011 Budget includes the following personnel changes:

- Reduction of .5 FTE Library Assistant – Includes workflow restructuring and reassignment of various duties among the Reference and Information Services staff.
- Conversion of one Captain position at Police to an Officer position in mid-2011, with the expected retirement of a Captain in the Support Services program. This change will provide more patrol staff in the Field Operations program.
- Creation of Customer Service Clerical Pools – This budget includes the formation of clerical pools to enhance customer service, improve security and gain efficiencies by pooling standard customer service functions in City Center. A 2.5 FTE reduction in clerical is reflected across the Assessor, Community Development, Finance, Health and Public Works departments' budgets with this change.
- Transfer of Forestry staff from Parks and Recreation to Public Works – Parks and Recreation and Public Works staff have assisted one another at various times throughout the last several years. This transfer formalizes that mutual assistance and affords greater flexibility in meeting both the City's urban forest management needs and various other street maintenance needs. The City Forester, seven Arborists, one .5 FTE Administrative Clerk II and the Horticulturist will move to Public Works. 20% of the Horticulturist's time will be charged to the Stormwater utility, allowing a significant reduction in consulting fees for plant management in detention ponds. A 1 FTE Equipment Operator position in Sanitation will be eliminated by efficiencies gained with this reorganization.

- Transfer of Parks and Recreation maintenance staff to the Facilities, Grounds and Construction Management Department (FGCMD) – Since creation of the Facilities and Construction Department in 2007, the two departments have worked together to maintain parks structures and the grounds at various City facilities. This change places all of the maintenance of City structures and of City property under the auspices of the FGCMD. This move includes the transfer of an Operations Foreman position, 3.3 FTE Parks Technician positions, .95 FTE Administrative Clerk V, and 6.67 FTE Groundskeeper positions. It also deletes two Parks Leadman positions, one Operations Supervisor, and the Deputy Director of Parks and Recreation position (allocated 95% General Fund / 5% Reid Golf Course). A Parks Caretaker position (vacant) was also eliminated.
- Transfer of the GIS function and staff from Technology Services to Community Development and conversion of the GIS Supervisor position to GIS Specialist – This change recognizes that Community Development is the largest user of GIS services and represents a change in focus of GIS efforts from primarily internal customers to external as well as internal.
- Transfer of the Diversity Coordinator position from the Mayor’s Office to the Community Development department – This change recognizes the external nature of many of the impacts of this position.
- Elimination of the Public Education Specialist, split between Police and Fire – The 2010 Budget eliminated the position of Community Engagement Coordinator at Police and reallocated the Public Education Specialist’s duties between Police and Fire. Public safety education and community outreach services will be coordinated through the allocation of duties among multiple staff members at Police and Fire.
- Elimination of 1 FTE Fire Inspector position – During 2010 a reorganization of the Fire Department went into effect that, among other changes, eliminates one protective Fire Inspector position and creates a Fire Inspector/Investigator wage premium. This change recognizes that fire inspection duties are carried out by all Fire Fighters and that fire investigations can be effectively conducted by those involved in fighting the fire.
- Elimination of 1 FTE Building Inspector position – An Inspector position that has been held vacant since a former Inspector’s retirement is being eliminated. With the Inspector’s retirement, DPW began a pilot program of using several members of the Sanitation Laborer Pool to deal with nuisance complaints. The success of the pilot program has led to this reduction along with allocation of other duties among remaining inspectors.
- Elimination of 1 FTE Water Meter Technician position – A Water Meter Technician position that has been held vacant since the former technician’s retirement is being eliminated. Cross-training of second shift Water Construction employees to address residential cross-connection investigations and lengthening the investigation schedule is the main efficiency that allowed this change.
- Elimination of 1 FTE Utilities Secretary – Technological advances have enabled staff at either the Water or Wastewater Treatment Plants to respond to telephones and control security gates at both facilities, allowing for reallocation of duties and the elimination of one position.

Further details can be found under the major changes program narratives about each of these.

CAPITAL IMPROVEMENT PROGRAM

Highlights of the remainder of the 2011 CIP are as follows:

- Facilities improvements include:
 - The second phase (\$408,800) of a project to convert material handling at the Library to Radio Frequency Identification as a cost savings and productivity enhancement. Initially conceived of as a four-year project, experience in the first year has led to a decision to accelerate the conversion. The realization of cost savings and productivity improvements will lag behind one year as we continue to educate patrons of use.
 - Continued focus on roof replacement as roofs are considered a critical component of each facility and require ongoing repair and maintenance. The City has 113 roof areas totaling over 536,000 sq. ft. In 2011, we moved up our plans for the Municipal Services Building replacing about 25% of the 140,000 sq. ft. area (\$300,000). Also included is replacement of the Pierce Park pavilion roof (\$145,000).
 - Further improvements to hard surface areas at the Municipal Service Building site concentrating this year on improvements to stormsewer to correct drainage problems (\$100,000).
- Public Works traffic enhancements include street lighting, traffic grid and traffic camera program expansion (\$167,879).
- Technology improvements include replacement of the Police Department's existing call recording system with a system-wide application, usable by all departments as needed (\$70,000).
- Quality of Life improvements focus on the completion of the Vulcan to Lutz Riverfront Trail and Vulcan to South Island Trail railroad trestle project (\$1,050,000) and maintaining playground equipment at our existing City parks (\$80,000).
- Public Safety investments include funding to replace all the Police and Fire departments' wideband analog portable radios with P25 compatible narrowband digital radios (\$587,500) and an estimate of first phase of the City's participation in a Fox Comm-wide 700 MHz radio system in accordance with Federal Communication Commission (FCC) mandate (\$1,000,000).

CONCLUSION

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

The City of Appleton continues to balance sound financial conditions with providing the basic essential needs of our City despite challenges faced in the local and national economy. Together we will continue our dedication to meet the needs of our community and enhance the quality of life. Appleton is a viable, strong community that can weather these stressful times.

Sincerely,

TIMOTHY M. HANNA
Mayor of Appleton

CITY OF APPLETON – 2011 BUDGET EXECUTIVE SUMMARY

COMBINED SUMMARY OF EXPENSES - ALL FUNDS

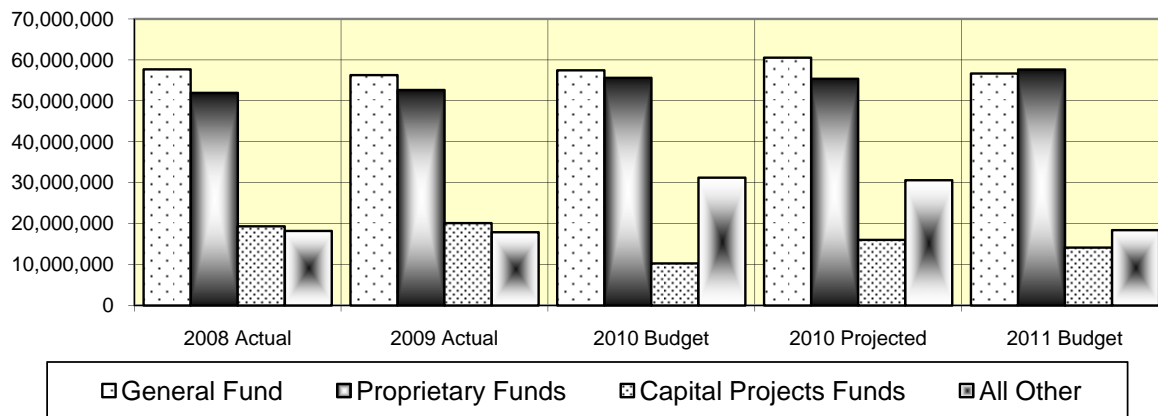
The City of Appleton follows the accounting methodology known as fund accounting, whereby revenues and expenditures are categorized by fund. Each individual fund represents a specific purpose or activity. Fund accounting is a means of separating and tracking those revenues and expenditures related to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

Table 1: TOTAL EXPENSES – ALL FUNDS ¹

	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
General Fund	\$57,653,577	\$56,254,069	\$57,423,818	\$60,504,508	\$56,638,598
Debt Service Funds	7,724,031	8,520,075	8,685,008	8,685,008	8,631,675
Special Revenue Funds	10,445,416	9,339,570	22,538,134	21,883,961	9,728,813
Capital Projects Funds	19,269,256	20,080,817	10,191,969	15,962,235	14,065,266
Enterprise Funds	43,753,737	43,752,586	47,711,590	47,139,708	47,650,531
Internal Service Funds	8,251,902	8,887,943	7,924,641	8,247,226	10,001,602
Permanent Funds	550	700	550	1,000	550
Total – All Funds	\$147,098,469	\$146,835,760	\$154,475,710	\$162,423,646	\$146,717,035

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

Fig. 1: COMBINED SUMMARY OF EXPENSES



The table and chart above show total City-wide expenditures for all funds for several years. The General Fund accounts for all of the routine operations of the city. The Proprietary Funds category consists of the Enterprise Funds (Water, Wastewater, Stormwater and Parking Utilities, Reid Municipal Golf Course, and Valley Transit) and the Internal Service Funds (Central Equipment Agency, Facilities and Construction Management, 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 special revenue sources which are legally restricted to expenditures for specific purposes, Capital Projects Funds account for the acquisition or construction of major capital facilities other than those financed by Proprietary Funds, and Permanent Funds are for assets restricted for the purpose of generating interest income. The unusually high level of expenditure in Special Revenue Funds 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 – 2011 BUDGET EXECUTIVE SUMMARY

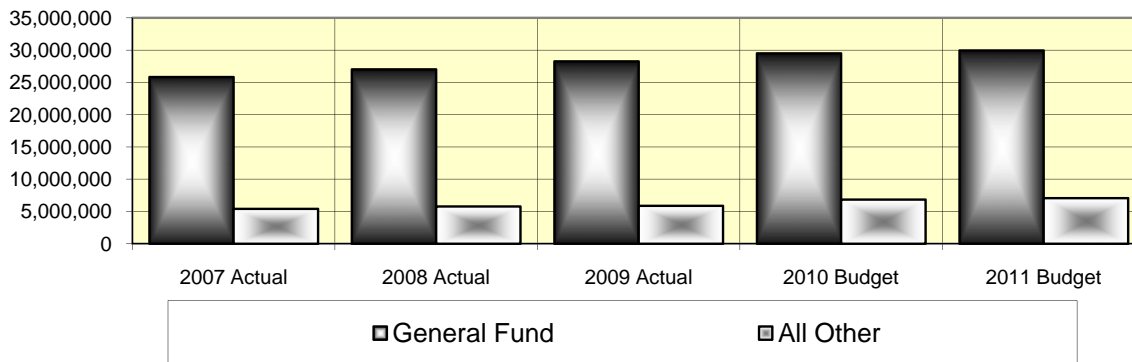
PROPERTY TAXES

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

	2007 Actual	2008 Actual	2009 Actual	2010 Projected	2011 Budget
General Fund	\$25,839,080	\$27,022,848	\$28,262,192	\$29,497,878	\$29,942,415
Debt Service Funds	2,953,457	3,303,443	3,240,038	3,533,999	3,852,111
Special Revenue Funds	2,467,850	2,481,550	2,647,850	2,822,800	2,310,000
Capital Projects Funds	0	0	0	500,000	900,000
Total – All Funds	\$31,260,387	\$32,807,841	\$34,150,080	\$36,354,677	\$37,004,526

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 2010 property tax levy (payable in 2011), approximately 32.6% was levied for various City operations as illustrated in Table 3 and in Figure 3 following. Another 37.6% was levied by the Appleton, Menasha, Kimberly and Freedom school districts, 18.4% by Outagamie, Calumet, and Winnebago counties, 7.4% by Fox Valley Technical College (WCTS), and .7% by the State of Wisconsin. The remaining 3.3% 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.

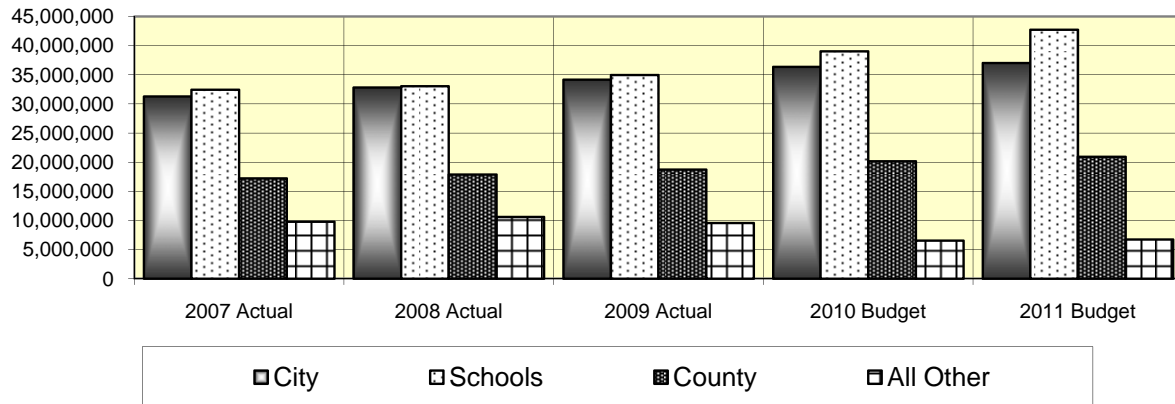
CITY OF APPLETON – 2011 BUDGET EXECUTIVE SUMMARY

Table 3: CERTIFIED APPORTIONMENT OF PROPERTY TAXES

Apportionment	2007 Actual	2008 Actual	2009 Actual	2010 Budget	2011 Budget
City	31,260,387	32,807,841	34,150,080	36,354,677	37,004,526
WTCS	6,721,675	6,978,847	7,331,505	7,918,742	8,353,838
Schools	32,395,678	32,992,462	34,933,078	39,006,781	42,718,673
State	763,941	776,514	799,486	812,733	823,345
County	17,217,035	17,856,640	18,714,735	20,145,801	20,916,513
TIF Districts	7,485,407	8,653,800	7,770,070	3,941,390	3,720,126
Total - All Portions	\$ 95,844,123	\$ 100,066,104	\$ 103,698,954	\$ 108,180,124	\$ 113,537,021
Less State Credits	5,206,059	5,830,499	6,351,872	6,161,669	6,186,432
Net Tax Levy	\$ 90,638,064	\$ 94,235,605	\$ 97,347,082	\$ 102,018,455	\$ 107,350,589

* Not available

Fig. 3: CERTIFIED APPORTIONMENT OF PROPERTY TAXES



TAX LEVY

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

Tax Levy	2007	2008	2009	2010	2011 Proposed
City	7.6845	7.9258	7.9594	7.9463	8.0496
WCTS	1.6523	1.6860	1.7088	1.7308	1.8172
Schools	7.9467	7.9572	8.1328	8.5013	9.2858
State	0.1732	0.1714	0.1724	0.1712	0.1733
County	4.2482	4.3270	4.3729	4.4107	4.5338
Gross Tax Levy	\$ 21.7049	\$ 22.0674	\$ 22.3463	\$ 22.7603	\$ 23.8597

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.

CITY OF APPLETON – 2011 BUDGET EXECUTIVE SUMMARY

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

If the total property remains stable, increases in the levy will result in increased assessed rates. Appleton has had a 9.9% increase in net new construction from 2007 to 2011, while the tax levy has increased by 18.3%.

Table 5: TOTAL FULL TIME EQUIVALENT EMPLOYEES

DEPARTMENT	2008	2009	2010	2011
Assessor's Office	7.00	7.00	6.63	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	9.85	8.85
Homeless & Block Grants	0.75	0.76	0.85	0.95
Fire Department	101.00	101.00	98.50	97.00
Health Department	12.85	12.85	12.86	12.61
Health Grants	4.40	3.40	3.34	3.39
Technology Services	15.40	15.00	15.00	12.00
Library	45.50	45.50	45.50	45.00
Mayor's Office	3.00	3.00	3.00	2.00
Facilities Management	8.15	8.15	7.76	19.82
Facilities Capital	0.40	0.40	1.00	0.40
Parks & Recreation	34.67	34.67	32.22	5.45
Reid Golf Course	2.05	1.75	1.70	1.55
Human Resources	5.95	6.15	6.15	6.15
Risk Management	2.98	2.98	2.98	2.98
Community Development	8.00	8.00	7.90	11.75
Housing & Community Devel.	2.00	2.00	2.00	2.00
Police Department	135.00	136.00	134.50	134.00
Public Works	55.32	57.81	53.92	62.01
Sanitation	22.69	21.29	19.79	18.89
CEA	14.11	14.11	15.11	15.11
Parking	11.47	11.47	11.47	11.47
Capital (TIF, Subdivision, etc.)	8.31	6.32	5.98	4.16
Stormwater Utility	16.92	17.32	17.75	18.73
Water Utility	36.92	36.42	37.76	36.51
Wastewater Utility	27.32	28.32	29.28	29.42
Valley Transit	53.03	53.03	52.65	52.65
Total Regular Employees	653.70	653.21	644.09	629.64

The chart above shows the total regular, full time equivalent number of employees. It does not include part time and temporary employees not eligible for health insurance or other fringe benefits. Net changes for 2011 are the elimination of a .5 FTE Reference Assistant at the Library; a slight increase in grant funded nursing hours, equivalent to .046 FTE; elimination of an Equipment Operator, a Building Inspector, a Meter Technician, a .5 FTE clerical position, and reduction of a second clerical position from full to half time in Public Works; elimination of the Deputy Director of Parks and Recreation, a Park Operations Supervisor, two Parks Leadman positions and a Parks Caretaker; elimination of a Utilities Secretary; elimination of a clerical position in Community Development; elimination of a Public Education Specialist position, split between Police and Fire, and a Fire Inspector position; and elimination of an account clerk position from the Finance department.

Other major changes are the transfer of the Forestry program from Parks to Public Works, the Geographic Information Systems program from Technology Services to Community Development, and the transfer of grounds

CITY OF APPLETON – 2011 BUDGET EXECUTIVE SUMMARY

maintenance and park structures maintenance from Parks and Recreation to Facilities, Grounds and Construction Management.

The 2010 column also includes a .375 FTE reduction in the Assessment Technician in the City Assessor's department and the elimination of a Deputy Chief position from the Police department, changes made after adoption of the 2010 budget. The 3rd Deputy Chief was dedicated to the Town of Grand Chute police department and the cost was reimbursed by the town. With the cessation of merger discussions, the position was eliminated.

GENERAL FUND SOURCES OF REVENUE

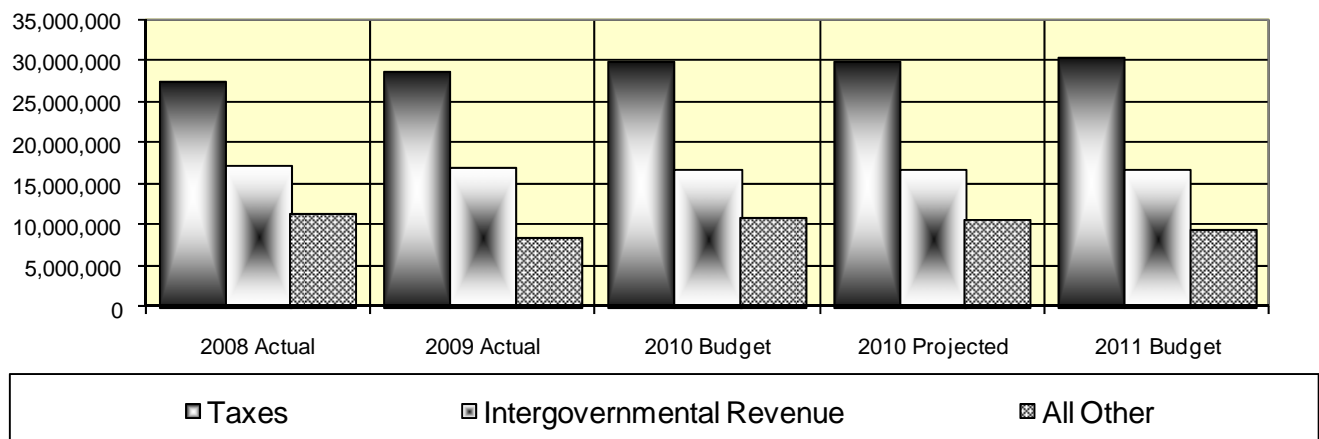
The General Fund, which accounts for the day-to-day functioning of city government, is supported by revenue from a variety of sources, including the property tax.

Table 6: GENERAL FUND SOURCES OF REVENUE

Source	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
Taxes	27,509,925	28,672,980	29,961,978	29,961,978	30,352,615
Intergovernmental Revenue	17,282,395	17,159,402	16,696,935	16,696,935	16,891,348
Licenses and Permits	809,008	823,787	840,349	840,349	841,240
Special Assessments	857,493	1,554,695	950,000	950,000	1,697,000
Fines and Forfeitures	346,338	342,923	300,000	300,000	325,000
Interest Income	4,865,143	804,849	1,524,422	1,524,422	1,677,798
Charges for Services	1,408,620	1,377,532	1,503,053	1,391,672	1,258,670
Other Revenue	1,564,050	1,756,072	1,883,131	1,783,131	1,875,977
Total General Fund	54,642,972	52,492,240	53,659,868	53,448,487	54,919,648
Other Financing Sources	1,456,317	1,570,467	3,763,950	3,763,950	1,718,950
Total Revenue & Other	56,099,289	54,062,707	57,423,818	57,212,437	56,638,598

The largest single source of funding for General Fund operations is the property tax, which, with payments in lieu of property tax of \$ 410,200, will provide \$30,352,615 or approximately 54% of revenues in 2011. The next largest is intergovernmental transfers, of which \$11,123,197 is from the State government under the State Shared Revenue program, an increase for 2011 of \$8,983, or 0.1%. Overall, Intergovernmental Revenue, which also includes State aids for street reconstruction, accounts for approximately 30% of revenues. The remaining 16% of revenues will come from various other sources, as illustrated above.

Fig. 4: GENERAL FUND SOURCES OF REVENUE



GENERAL FUND EXPENDITURES

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

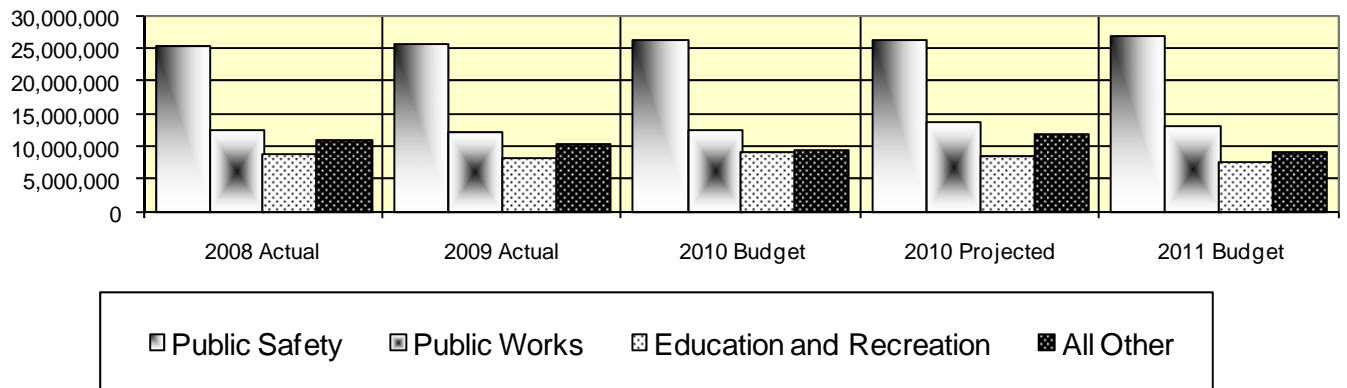
CITY OF APPLETON – 2011 BUDGET EXECUTIVE SUMMARY

Table 7: GENERAL FUND EXPENDITURES

Expenditures	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
General Government	6,857,913	6,583,257	7,783,265	9,598,650	7,057,651
Community Development	718,082	1,070,226	836,369	1,146,599	1,205,116
Education and Recreation	8,762,949	8,102,910	8,935,022	8,263,673	7,452,244
Public Works	12,683,255	12,254,252	12,715,055	13,865,995	13,311,237
Public Safety	25,407,008	25,773,233	26,517,695	26,557,940	27,007,960
Total Expenditures	54,429,207	53,783,878	56,787,406	59,432,857	56,034,208
Other Financing Uses	3,224,370	2,470,191	636,412	1,071,651	604,390
Total Expenditures & Other	57,653,577	56,254,069	57,423,818	60,504,508	56,638,598

The largest single expenditure for the General Fund is for public safety, which in 2011 accounts for approximately 48% 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 24%) 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.

	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
The Common Council	121,461	122,786	124,193	124,921	106,035

The Common Council

The legislative powers of the City are vested in the Council with the responsibility of establishing policy, adopting an annual budget and service plan and carrying out the duties defined by State Statutes and City Ordinances. The 2011 budget reflects the elimination of the City's membership in the Wisconsin League of Municipalities (\$10,908), which has merged with the Wisconsin Alliance of Cities (membership in the Alliance is budgeted in the Mayor's Office), a reduction in the cost of videotaping Council meetings resulting from permanent installation of cameras in

CITY OF APPLETON – 2011 BUDGET EXECUTIVE SUMMARY

Council chambers (approx. \$7,000 reduction), and the elimination of parking permits and food and provisions from the Council budget (\$250).

	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
The Mayor's Office	285,999	268,511	309,827	314,827	268,218

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 2011 budget reflects the move of the Diversity Coordinator position to Community Development (\$65,697).

	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
Facilities, Grounds and Construction Management	2,197,973	2,151,725	2,181,366	2,181,366	3,980,888
Facilities Capital Projects	5,235,402	6,333,470	1,537,471	2,657,639	575,405
Energy Efficiency & Conservation Grant	0	0	689,800	689,800	0

Facilities, Grounds & Construction Management

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

Facilities management costs previously budgeted in individual departments have been consolidated within this budget, including maintenance, janitorial, lease, utilities and staffing expenses. During 2010, Facilities and Construction Management has continued to serve as the owner's representative and provided oversight of the Police Station renovation/construction project, in addition to providing proactive facilities management services to preserve and extend the useful life of the City's facilities and comply with all relevant regulations. Major initiatives have included developing preventive maintenance plans, facility documentation, roof database, energy initiatives and deferred maintenance plans. For the 2011 budget, grounds maintenance staff and responsibility for maintenance of parks, athletic fields, City boulevards and triangles, and park structures have been transferred from the Parks and Recreation department to Facilities.

Facilities Capital Projects

Projects planned for 2011 are:

- Partial roof replacement at the Municipal Services Building (\$300,000); and
- Grounds improvements at the Municipal Services Building site (\$100,000).
- Structural repairs and roof replacement on the Pierce Park pavilion (\$145,000)

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

CITY OF APPLETON – 2011 BUDGET EXECUTIVE SUMMARY

	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
City Clerk	752,264	652,517	740,832	740,832	597,925

City Clerk

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

Responsibilities include:

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

Fluctuations in the budget for the Clerk's Office are primarily the result of the number of elections scheduled in any given year, including Mayoral, Presidential, Congressional and State elections. In 2010, there were four elections, compared to two in 2009 and 2011. In 2011, the City Clerk's office will become the central service point for customers coming to the sixth floor of City Center.

	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
City Assessor	545,116	558,982	599,270	579,170	540,791

City Assessor

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

The Assessor's office completed a revaluation of all residential property in the City in 2010, with all work completed in-house with no additional funding. The 2010 locally assessed value increased \$11,579,600, which is an increase of 0.25% from 2009. Among other changes, this included \$79,291,800 in new construction, \$950,300 in annexations, and \$1,123,600 of formerly tax exempt property. The increase was offset in part by decreases of: \$46,707,300 in residential revaluation, \$26,364,400 in commercial revaluation, and \$1,597,300 of newly tax exempt property.

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.

In 2009 the Assessor's Office began collaborating with the Building Inspections division of Public Works. As building inspectors complete their reviews of basement remodels, fireplaces, and rewires, they are also recording notes for the Assessor's Office. This eliminates the need for an inspection by an assessor, provides better customer service, and frees up assessors' time to work on reducing the backlog of some 12,000 homes that have not been inspected for assessment purposes in as much as 15 years. The Assessor's Office will continue to reassess all property every 4 years to keep assessments near 100% of market value as required by state statutes, to maintain equity, and to provide for small increases. A major goal for 2011 is to review assessments within the Central Business District, as well as to continue to inspect as many as possible of the 12,000 homes not recently inspected.

CITY OF APPLETON – 2011 BUDGET EXECUTIVE SUMMARY

In 2010, a Real Estate Assessment Technician position was re-evaluated and reduced from full time to a .625 FTE position (\$20,100). In 2011, a fifth floor customer service clerical pool is being formed to enhance customer service, improve security and gain efficiencies by pooling standard customer service functions in one area. A 1.5 FTE reduction in clerical staff is reflected across the Assessor, Community Development, Health, and Public Works budgets with this change.

	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
Finance Department	883,360	922,736	986,416	993,416	934,488

Finance Department

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

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

In 2010, the Finance Department continued work with Technology Services on a major re-design of the utility billing system, which will include electronic payment options for city services invoices (water, sewer, stormwater, and sanitation).

The 2011 budget includes the elimination of one Account Clerk II position (\$66,330)

	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
Unclassified City Hall	4,562,120	3,915,308	2,561,527	4,749,753	2,425,177
Room Tax Administration	350,490	295,863	285,000	320,000	299,000
Housing, Homeless & Block Grants	819,563	1,301,491	2,598,206	1,516,269	1,721,138
Other Post Employment Benefits	55,548	34,626	0	27,585	12,697

Unclassified City Hall

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

CITY OF APPLETON – 2011 BUDGET EXECUTIVE SUMMARY

Salary adjustments to be covered from the wage reserve normally consist of General Fund non-represented staff performance adjustments and salary adjustments for any unsettled union contracts. Since the 2011 budget includes no cost of living increases or performance adjustments for any employees, no money is budgeted for the wage reserve in 2011. We will be requesting to carry over any available funds from 2010 to 2011 since all contracts are currently open and not settled.

The balance in the contingency fund is currently \$1,552,987, which includes:

- \$242,672 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 of Council proceedings and for ongoing costs of videotaping, maintenance and video hosting
- \$600,000 State aid contingency
- \$573,000 one percent maximum of 2011 Budget according to policy
- \$137,315 fuel contingency.

In accordance with the purpose of the funds obtained from the Time Warner Cable settlement described above, a proposal to spend approximately \$43,000 on recording equipment to be installed permanently in the council chambers to record Common Council meetings has been approved. Having permanently mounted cameras and mixing equipment allows the meetings to be recorded at a much lower hourly rate (\$30/hr vs. \$175/hr) since the provider does not have to provide their own equipment and fewer people are needed. This equates to a savings of approximately \$7,000 annually.

It is assumed that the Council will carry over remaining contingency account funds from 2010 to 2011, therefore there are no new funds budgeted for 2011. The 2011 budget includes an increase in facilities expense resulting from the addition of space on the first floor of City Center for health clinics displaced by the creation of a first floor customer service center (\$12,650).

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

CITY OF APPLETON – 2011 BUDGET EXECUTIVE SUMMARY

- Homelessness Prevention and Rapid Rehousing Program (HPRP)
 - Provide direct financial assistance and related supportive service to those who are either at risk of becoming or who are experiencing homelessness as a direct result of the economic recession

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.

	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
Technology Services	1,620,431	1,548,744	1,635,898	1,635,898	1,632,274
Technology Capital Projects	370,047	345,514	113,000	644,195	70,000

Technology Services

The Technology Services Department (TS) provides all City departments with reliable, timely and accurate technology services that are both cost effective and responsive to departmental needs. The department manages the City's iSeries computer, its attendant software, and the personal computer network, including computers installed in Police and Fire vehicles. Technology Services also provides management, coordination and support for the City's 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, major accomplishments for 2010 include continued work with the Finance department on a major upgrade to the utility billing system, maintaining connectivity for the Police department throughout the renovation of the police station, and establishing technology support for the Town of Grand Chute. The 2011 budget reflects the transfer of the GIS function to the Community Development department, which is the primary user of GIS services. All prior periods' data have been re-stated to reflect the change.

The decrease in 2009 Actual expense from 2008 shown above is due partly to a change in a shared administrative position between the HR and TS Departments that was completed in 2008, after adoption of the 2009 budget and partly to a decision to delay certain PC replacements. Previously, the shared position was split 60/40 between HR and TS. The change moved this to an 80% position in HR only, eliminated half of the expense for the 40% of the position in TS, and moved the remaining half of that expense to temporary help in the TS budget. The 2009 reduction also reflects the decision to delay PC replacements (\$75,000) and extend the normal PC replacement cycle to four years from three. In 2011, TS will experiment with replacing some lower-use PCs with "thin client" devices, which are less powerful than a regular PC but cost about half as much and have a longer expected life.

Technology Capital Projects

This fund provides for a variety of Technology capital needs. For 2011, this fund will be used to account for the replacement of the call recording system used by Police with a system-wide solution (\$70,000).

**CITY OF APPLETON – 2011 BUDGET
EXECUTIVE SUMMARY**

	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
Human Resources	629,745	641,939	699,566	699,566	696,594
Risk Management Fund	1,276,400	2,087,248	1,103,831	1,318,831	1,128,556

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.

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

A major accomplishment in 2010 was the implementation of the NEOGOV online application system. This enables staff to redirect time spent handling paper applications towards improved City-wide staff training. Also in 2010, negotiations have been started with the City's unions for the next round of labor contracts. All current labor contracts expire at the end of 2010.

There are no major changes in the 2011 budget.

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 shows an increase from 2008 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 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, \$1,023,840 in claims have been submitted and \$715,797 have been reimbursed. Reimbursement is slow but continues to be collected with \$308,043 currently outstanding. Included in the budget for 2011 is \$50,000 of litigation costs for potential expenses that will not be reimbursed..

CITY OF APPLETON – 2011 BUDGET EXECUTIVE SUMMARY

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 were 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 was then applied each year to offset the insurance charges to the departments, thereby reducing the tax levy needs for those departments supported by property taxes, or user fees for the self-supporting departments. In 2004, an official fund balance policy was adopted which provided 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 2011 is \$1,025,579; an increase of less than 5% over a 14 year time span. However, with the conclusion of this systematic drawdown of excess fund balance to offset departmental charges in 2010, there is a resultant increase in charges in 2011 that is reflected in other departments' expenses.

The 2011 budget also includes an increase in consulting services (\$8,000) related to an actuarial study. The actuarial study is done every other year and was last completed in 2009. The budget also includes a reduction in worker's compensation losses (\$24,000) based on the current seven year loss history of actual incurred losses. The overall level of reserves is determined by the City's Risk Manager, Claims Committee and Finance Director, with input from the Cities and Villages Mutual Insurance Company (CVMIC) and the actuarial study. While the seven year average of workers compensation and general liability costs have increased, we are optimistic this trend will not continue. The Risk staff has taken steps to reduce future risk and decrease exposure by implementing safeguards when deficiencies are identified and by taking proactive measures to reduce or avoid future claims.

	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
City Attorney	421,131	421,925	451,918	451,918	460,539
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 2010 included work on the acquisition of numerous pieces of property related to various City projects (Wisconsin Avenue, Evergreen Drive, Conkey Pond, and Midway, Telulah, and South Island streets), and work with outside counsel on the Fox River clean-up.

There are no major changes to the City Attorney's budget for 2011.

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.

CITY OF APPLETON – 2011 BUDGET EXECUTIVE SUMMARY

COMMUNITY DEVELOPMENT

	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
Community Development	978,738	1,070,226	1,146,599	1,146,599	1,205,116
Housing and Community Development Grants	656,696	558,315	851,294	725,514	665,472
Industrial Park Land Fund	290,551	202,544	280,965	280,965	478,945
Community Development Projects	43,369	52,036	550,000	276,595	850,000
TIF # 2	101,255	89,372	98,009	97,809	89,758
TIF # 3	2,251,399	2,291,372	2,354,186	2,389,743	2,975,852
TIF # 4	1,715,433	624,005	11,626,489	11,914,142	0
TIF # 5	188,991	161,725	102,958	102,958	127,079
TIF # 6	3,593,274	3,689,687	2,955,925	3,604,742	3,328,020
TIF # 7	20,715	18,027	247,253	292,109	47,328
TIF # 8	0	4,596	44,272	31,385	2,619
Northeast Business Park Escrow	0	0	0	2,936,800	1,163,200
Prior period projects:					
TIF # 1 (closed 2008)	97,357	0	0	0	0

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

Community Development Department

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

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

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

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

- Marketing - comprised of activities conducted to promote the City of Appleton for private investment and development. Included are advertising, creation and distribution of promotional materials, and liaison functions with various development-related organizations as the City's representative.
- Business Retention - comprised of activities undertaken to maximize the City's likelihood of retaining its businesses. Among the sub-programs are business retention visits, business recognition awards, database maintenance, and assistance with securing non-City support.

CITY OF APPLETON – 2011 BUDGET EXECUTIVE SUMMARY

- 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.

The 2011 budget reflects the transfer of the GIS function 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. It also includes the transfer of the Diversity Coordinator position from the Mayor's Office (\$65,697).

Housing and Community Development Grants

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

- Homeowner Rehabilitation Loan Program (HRLP)
 - Improve Appleton's affordable single-family homes by rehabilitating twenty-five homes for LMI homeowners
 - Use Lead Hazard Control (LHC) funds to supplement five projects for elimination of lead-based paint hazards
- HOME Investment Partnership Program - Homeowner Rehabilitation
 - Improve Appleton's affordable single-family homes by rehabilitating one unit for an LMI homeowner
- HOME Investment Partnership Program - Renter Moderate Rehabilitation
 - Improve Appleton's affordable rental housing stock by rehabilitating seven units for low-income occupants
 - Use Lead Hazard Reduction Grant funds to supplement six projects for elimination of lead-based paint hazards
- Neighborhood Revitalization Program (NRP)
 - Accomplish six business revitalization projects within the targeted neighborhood revitalization area
 - Accomplish three public facilities/beautification projects within the targeted neighborhood revitalization area
 - Accomplish three special events/initiatives within the targeted neighborhood revitalization areas
 - Improving the vitality of central city areas by addressing needs/concerns in other NRP areas as applicable
 - Undertake research to evolve the current NRP design to facilitate more timely/effective improvements

There are no major changes to this budget for 2011.

Industrial Park Land

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

The 2011 budget includes \$21,400 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 \$99,135 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 2011 budget will support the redevelopment of a targeted site in Appleton Redevelopment Project Area #22 (ARP #22), as adopted by Council in 2009, as well as the acquisition of an unspecified site, also in ARP #22.

CITY OF APPLETON – 2011 BUDGET EXECUTIVE SUMMARY

TIF District revaluation by Department of Revenue

Department of Revenue (DOR) modified the valuation process of Tax Incremental Districts having detrimental impacts on TIF District Three (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 \$100,581 on advances made during the early years of the district.

TIF District # 3 - Downtown

Tax Incremental District #3 includes the area bounded by Richmond and Durkee Streets, from the County Courthouse to the Morgan Alternative High School. Primary projects include the Washington and East Parking Ramps, the Paper Valley Hotel expansion, the Evans Title building, the Appleton Retirement Community (formerly Crescent Place), and the Richmond Terrace building. November 4, 2003 was the final date by which Appleton could make expenditures within this District and recover them with tax increment revenues, per state statute. In 2011, the General Fund will have a net advance of \$13,523,580 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 on 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.

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 2011 Budget provides funding for maintenance and marketing of property (\$63,325). 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 will receive 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, due to a lack of land sales and development as originally projected.

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

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

CITY OF APPLETON – 2011 BUDGET EXECUTIVE SUMMARY

enhancing the viability of the businesses, retention of businesses and attraction of new businesses, stabilizing and increasing property values and improving the overall appearance of public and private spaces.

The 2011 Budget provides for a developer-funded tax incentive payment of \$43,964.

TIF District # 8 – East Riverfront Development

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

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

There are no projects planned for TIF # 8 for 2011.

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 2011, this fund will be used to account for \$1,163,200 in street and sidewalk paving infrastructure projects. Upon completion of all projects, any remaining funds will be dispersed according to the same procedure as the TIF district close-out.

RECREATION / LIBRARY / TRANSIT

	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
Library	4,373,305	4,416,025	4,442,562	4,534,783	4,399,817
Library Capital Projects	121,482	0	114,000	114,000	408,800
Frank P. Young Memorial	550	700	550	1,000	550

Library

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

2010 accomplishments have included:

- Increased library utilization over 2009 – circulation expected to top 1.5 M items in 2010, inter-library loans from other libraries up 6%, and an average door count of over 50,000 patrons per month
- Increased volunteer hours
- Selected a vendor for the Radio Frequency ID (RFID) project and began conversion of the materials collection

Major 2011 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

CITY OF APPLETON – 2011 BUDGET EXECUTIVE SUMMARY

- 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 2011 budget includes a .5 FTE reduction of a Library Assistant position (\$31,581), no increase in materials acquisitions due to budget constraints, and a reduction in utilities expense (\$22,256) reflecting more efficient lighting and HVAC systems.

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, has 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.

Frank P. Young Memorial

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

	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
Parks and Recreation	3,693,600	3,686,885	3,728,890	3,728,890	3,052,427
Forestry	17,796	16,755	15,500	24,763	0
Peabody Estate Trust	0	0	50,000	50,000	0
Balliet Locomotive Trust	0	0	300	300	300
Lutz Park Recreational Trust	236,798	544,797	0	12,000	75,000
Park Open Space Fund	9,530	1,495	207,000	175,000	0
Union Spring Park	60	0	462	462	500
Universal Playground	4,157	945	3,000	3,000	7,500
City Park Project	0	0	200	200	200
Miracle League Field	0	0	0	0	1,000
Parks and Recreation Capital Projects	1,847,539	3,500	210,000	1,002,920	1,230,000
Reid Municipal Golf Course	582,194	541,224	585,071	585,071	561,809

Parks and Recreation Department

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

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

The 2011 budget reflects the following:

- The transfer of the Forestry function to the Department of Public Works, where it will be integrated with all other street maintenance functions. This includes the transfer of the City Forester position, 7 Arborist positions

CITY OF APPLETON – 2011 BUDGET EXECUTIVE SUMMARY

(6.9 FTE from Parks, .1 FTE from Reid Golf Course), the Horticulturist position (.8 FTE to DPW, .2 FTE to the Stormwater Utility), and a .5 FTE Administrative Clerk IV position. All prior periods' data have been restated for purposes of comparability.

- The transfer of the maintenance functions to the Facilities, Grounds and Construction Management Department, where maintenance of structures will be integrated with that department's existing maintenance of other City structures and grounds maintenance will be consolidated with all other grounds maintenance at City properties, including boulevards and triangles along City streets. This move includes the transfer of an Operations Foreman position, 3.3 FTE Parks Technician positions, .95 FTE Administrative Clerk V, and 6.67 FTE Groundskeeper positions.
- The continuation of the process, expected to take several years, of transitioning the adult softball program to a local non-profit organization.
- The elimination of the following positions:
 - Deputy Director of Parks & Recreation (95% General Fund/5% Reid Golf Course, \$119,441/\$6,286)
 - 2 Parks Leadman positions (\$146,258)
 - 1 Groundskeeper position, currently vacant (\$69,456)

It is expected that the Parks and Recreation department will move to City Hall and that the former Parks and Recreation building in Appleton Memorial Park will house the Facilities Management Department. This will facilitate "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.).

Forestry

The purpose of this fund is to account for City efforts to promote and preserve Appleton's urban forest. 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 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. \$50,000 was budgeted for 2010 to install security lighting in the park, there are no projects planned for 2011.

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.

Park Open Space Fund

To account for moneys received from subdivision developers to finance future acquisition and development of park facilities and the corresponding expenditures. In 2010, this fund will be used 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), the acquisition of the Boldt property at Houdini Plaza (\$50,000) and for acquisition of property adjacent to Arbutus Park (\$25,000).

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.

**CITY OF APPLETON – 2011 BUDGET
EXECUTIVE SUMMARY**

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.

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 2011 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 2011 budget provides for replacement and upgrade of playground equipment at Mead and Lions parks (\$80,000), reconstruction of the Telulah park entrance road and connection to the Newberry trail (\$100,000), development of a riverfront trail between Vulcan and Lutz parks (\$950,000), and acquisition of two railroad trestles that are no longer in use by the railroad for use as river crossings for trails (\$100,000), eventually connecting the Vulcan to Lutz riverfront trail with the South Island trail and the former Foremost Dairy site.

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 2011 budget includes a reduction in Facilities Management Department charges (\$8,361), returning to a more normal level following parking lot repairs in 2010, the reallocation of an Arborist with the Forestry function to DPW (.1 FTE \$6,184), and the elimination of the position of Deputy Director of Parks and Recreation, 5% of which had been allocated to the golf course (\$6,286).

	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
Valley Transit	8,154,077	7,845,063	8,615,894	8,415,894	8,774,901

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 four months of 2010 was up approximately 3.3% over the same period in 2009. The trend of riders switching from cash fares to tickets and passes has continued. Valley Transit was awarded \$1,477,900 of ARRA funds to replace the roof on the Whitman Avenue facility, buy new registering fareboxes, improve route signage, buy two smaller hybrid buses and purchase an Intelligent Transportation System for the buses. The roof was completed in 2009. In May, registering fareboxes were installed, providing better ridership data and reducing the staff time required to enter data. A request for proposal was issued in July, 2010 to create and install new bus stop signs along all bus routes. The new signs will indicate routes that use the stop and scheduled bus arrival times at the stop.

CITY OF APPLETON – 2011 BUDGET EXECUTIVE SUMMARY

Major 2011 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 2011 reflects the following:

- No increase in fuel cost, again budgeting at the state Department of Transportation's recommended \$3.25 per gallon and current usage;
- 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.

PUBLIC WORKS

	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
Public Works	13,379,299	12,254,252	13,478,625	13,865,995	13,311,237
Sanitation	3,375,587	2,968,609	3,361,249	3,365,889	3,499,254
Safe Routes to Schools grant	0	40,370	0	0	0
Subdivision	2,085,014	2,236,352	1,727,504	1,757,504	1,649,667
Public Works Capital Projects	2,098,355	4,552,901	320,919	696,187	280,452
Parking	3,047,342	2,650,193	3,195,624	2,902,139	2,876,216
CEA	4,721,981	4,614,342	4,639,444	4,719,444	4,879,461
CEA Replacement	2,036,203	2,033,984	1,612,702	1,592,702	2,266,251

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 2011 budget reflects the following:

- Elimination of one Inspector position (\$84,907); and
- Elimination of one Administrative Clerk III position (\$48,881).

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

Other significant items reflected in the 2011 budget are as follows:

- Transfer of the Forestry program from Parks and Recreation to Public Works - As noted in the discussion under Parks and Recreation above, this includes the transfer of the City Forester position, 7 Arborist positions, the Horticulturist position (.8 FTE to DPW, .2 FTE to the Stormwater Utility), and a .5 FTE Administrative Clerk

CITY OF APPLETON – 2011 BUDGET EXECUTIVE SUMMARY

IV position. All prior periods' data have been restated for purposes of comparability. Additionally, in order to be in compliance with the Government Accounting Standards Board's (GASB) recently issued Statement 54, the Forestry Special Revenue fund, which was previously accounted for as a separate fund, has been merged into this program, bringing all forestry revenues and expenses into a single program.

- Creation of a fifth floor City Hall customer service clerical pool – A clerical pool is being formed to enhance customer service, improve security, and gain efficiencies by pooling standard customer service functions in one area. This consolidation allowed a 1.5 FTE reduction in clerical support reflected across the Assessor, Community Development, Health and Public Works Department budgets.
- Paving the parking lots at the USA Youth Sports Complex - The project is a joint effort between the City and USA Youth. The total cost of the project is estimated to be \$158,560, with USA Youth paying \$130,560 for the material and the City contributing \$28,000 in labor and machinery costs.
- On-street bike lane marking - This budget includes the cost (\$38,800) to provide signage and pavement marking for on-street bike lanes. This is the first step in implementing a City-wide on-street bike lane plan.
- Policy change regarding utility excavations –Beginning in 2011, asphalt patches of private utility excavations in the public right of way will be installed and billed back to the utility in the same year as the excavation. Currently patches are installed and billed in the year following the excavation, therefore 2011 will be a catch up year requiring patching of both 2010 and 2011 excavations. An additional \$50,000 is budgeted for patch materials, along with a corresponding revenue increase of \$40,000.
- Snow and ice control – An increase of \$20,000 in contracted snow removal service for neglected, main, and arterial sidewalks and priority crosswalks has been budgeted to better reflect recent actual expenditures.

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 2011 budget reflects the following changes:

- Increased tipping fees – The 2010 budget did not include a proposed increase in landfill tipping fees charged by Outagamie County. An increase of \$4.70 per ton was ultimately put in place and will be followed by a further \$1 per ton in 2011, increasing tipping fees an estimated total of \$92,000.
- Implementation of the new refuse container fee schedule – Since the inception of the automated pickup system for residential solid waste, the 60 gallon can has been the standard size provided at no charge to households. Those that opted for a 35 gallon can received a credit on their utility bills, while those opting for a 90 gallon can paid a surcharge. This policy change makes the 35 gallon can the standard, with 60 or 90 gallon cans still available at a surcharge as a way to encourage more recycling and reduce the volume of waste going to the county landfill, thereby reducing tipping fees.
- Discontinuation of concrete disposal at yard waste sites – Concrete is no longer accepted at yard waste sites, which will further reduce the tonnage of material incurring tipping fees at the county landfill.
- Monitoring well at Mackville site – This budget includes \$7,000 to replace a malfunctioning monitoring well at the closed landfill, as required by the Department of Natural Resources.
- Insurance charges – The 2010 budget inadvertently omitted \$12,978 as the first year's amortization of a five-year policy covering the closed landfill. Actual 2010 expenses will include that amortization and the 2011 budget includes that amount for the second year's amortization.

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.

CITY OF APPLETON – 2011 BUDGET EXECUTIVE SUMMARY

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 \$900,000 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 2011, this fund will be used to account for:

- Traffic signal equipment improvements (\$64,146),
- Expansion of the traffic camera program (\$28,599),
- Bridge improvements (\$71,799);
- Street lighting improvements (\$75,134); and
- An upgrade to the re-fueling islands at the Municipal Services Building to address containment of potential fuel spill (\$40,774).

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 includes \$10,000 to develop and implement a marketing plan for a customer service based downtown parking system. An ad-hoc parking committee consisting of a diverse cross-section of downtown businesses and customers has been formed to that end. The budget also includes \$75,000 for structural maintenance and repairs to parking ramps, as recommended by the structural engineering consultant's report, and \$20,000 for repair of the Superior St. skywalk, and \$25,000 for ramp entry signage. Parking rates in effect as of January 1, 2011 will be as follows:

- Parking Ramp Pay-as-enter - \$2 (24/7);
- Meter Rate - \$.75/hour; Meter Hours - 9 a.m. to 9 p.m.;
- Permit Rate - \$32/mo City Center, \$28/mo Deluxe, \$23/mo Economy;
- Meter Fines - citations 1 & 2 = \$5, 3 - 5 = \$10, 6 & up = \$50; Time Limit Fines = \$20; Select Library Meters = 3-hour limit.

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 2011 budget reflects:

- A reduction in the CEA fleet size – This reflects the replacement of a plow truck and a roll-off truck with a single vehicle and replacing two mini-dump trucks with one truck that will also plow in winter.
- An increase in fuel expense (up approximately \$79,000 from the 2010 adopted budget - Unleaded and diesel fuel is budgeted at \$2.63 and \$2.83 per gallon, respectively, versus \$2.45 and \$2.49 per gallon in 2010).

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.

**CITY OF APPLETON – 2011 BUDGET
EXECUTIVE SUMMARY**

PUBLIC HEALTH & SAFETY

	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
Health Services	1,134,001	1,144,480	1,219,384	1,241,461	1,222,659
Health Services Grants	526,514	361,407	308,934	311,744	299,535

Health Services

It is the mission of the Appleton Health Services Department to safeguard the environment, promote public health, and protect consumers in the community by providing high quality services responsive to the needs of the people. The Department has three main programs; public health nursing, environmental health, and weights and measures. The 2011 budget reflects the creation of a fifth floor City Hall customer service clerical pool to enhance customer service, improve security, and gain efficiencies by pooling standard customer service functions in one area. This consolidation allowed a 1.5 FTE reduction in clerical support reflected across the Assessor, Community Development, Health and Public Works Department budgets.

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.

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 2011 Budget reflects the continuation of a program begun in mid-2003 of providing weights and measures certification services to surrounding communities. The communities are charged a fee that offsets the additional cost of staff time to provide the service. Eight area communities now participate in the program, purchasing a total of 150 days of certification services, compared to 77 days in 2004, the first full year of the program. The rate for these services for 2011 is \$414 per day.

Health Services Grants

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

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

Early and frequent nursing intervention has been documented in research studies to positively impact the outcome of parenting and child development. In 2011, 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), approximately 3,500 in 2010, and is expected to serve approximately 2,400 in 2011.

CITY OF APPLETON – 2011 BUDGET EXECUTIVE SUMMARY

- 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 2010 supported the Walk to Win campaign to encourage regular exercise. The grant will again support the Walk to Win campaign in 2011.
- 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. The Appleton Health Department has served as fiscal agent and hired staff to support the Fox Valley Public Health Preparedness Consortium, which is one of 12 consortium regions in the state working to ensure a quick, effective and coordinated response to public health emergencies. While the threat of a terrorist incident has been the driving force in these response plans, they are equally effective in any public health emergency, whether it is the result of violent weather, an unexpected disease outbreak, or a hazardous materials accident that may pose a threat to the community. The Public Health Preparedness funding for consortia within the State was significantly reduced in 2009, as the State redirected funding efforts to individual agencies and away from consortia, and that change is reflected again in this years budget. In 2010, due to the change in funding, the three consortia within Northeast Wisconsin have blended into one consortium serving 28 agency members, with Brown County serving as the fiscal agent of the larger consortium.

	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
Police	14,507,870	14,868,113	15,092,949	15,108,617	15,455,180
Police Grants	88,821	45,720	0	1,501,390	0
Public Safety Capital Projects	1,335,314	446,481	375,000	375,000	1,587,500

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 2010 include:

- Completion of the expansion/renovation of the Police station (budgeted in the Facilities Capital Projects fund above and under the direction of the Facilities department);
- Technology upgrades, including installation of digital video cameras in squad, implementation of the Traffic and Criminal Software (TraCS), which allows an officer to process driver and vehicle information and electronically transfer that data to the State Department of Transportation, replacement of obsolete data modems with more efficient air cards, and establishment of wireless access points for downloading data from the systems installed in squad cars; and
- Ending a trial period for a merger between the Appleton and Grand Chute Police Departments. In 2008, an Appleton Deputy Police Chief was assigned to oversee the activities of the Grand Chute Police Department as the two departments work towards a merger. In 2010, with the conclusion of the merger discussions, the third Deputy Chief position was eliminated, along with the contribution from the Town of Grand Chute in support of that position (\$141,105 reduction in both revenues and expenses).

Specific objectives for 2011 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

CITY OF APPLETON – 2011 BUDGET EXECUTIVE SUMMARY

- 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 2011 Budget includes:

- Conversion of a Captain position to an Officer position (\$19,639 reduction);
- Elimination of the Public Education Specialist position, split between Police and Fire (\$41,894 each department) and reallocation of the duties of this position to other existing staff;
- Elimination of the equivalent of .5 FTE of part time clerical support (\$18,170); and
- Elimination of one Crossing Guard position, at the Oneida Street/Northland Avenue intersection. The Town of Grand Chute and Aces/Xavier Education System were expected to provide \$3,876 in revenue to offset the salary expenses associated with this crossing guard position but Aces/Xavier has recently concluded that too few of their students use this crossing to justify their continued contribution to the cost. Since the position was initially added at their request, it has been eliminated.

In comparing the 2011 budget to the 2010 adopted budget, it is important to note that salary increases of approximately \$373,000 were not included in the Police budgets in 2010 due to an unsettled labor contract. Instead, this amount was included in the wage reserve in the Unclassified section of the General Fund budget.

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 2010 Projected of \$150,139 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 enforcement (\$27,791), speed enforcement (\$23,561), and implementation of the TraCS system (\$94,787). Recent indications are that the City may be eligible for approximately \$35,000 each for alcohol and speed. Enforcement in 2011. If either of those grants is realized, appropriate budget adjustments will be presented.

Public Safety Capital Projects

This fund provides for a variety of Public Safety capital needs. For 2011, 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 narrowband radio system to replace the City's current VHF and UHF system (\$1,000,000).

	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
Fire	9,765,137	9,760,640	10,205,362	10,207,862	10,330,121
HazMat Level A	187,569	192,663	82,114	82,114	87,913

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 2010 include:

- Departmental reorganization - The reorganization provides a captain to oversee each fire station and be responsible for training, inspection coordination, pre-incident plans, and station maintenance. A captain on each shift will also be assigned to Fire Station #1 to assist the battalion chief with daily operations. The reorganization includes the creation of six shift inspector/investigator positions from existing personnel. The shift inspectors/investigators would be available to respond to emergencies and train with their crews, but would have the ability to "break away" from their crews to conduct inspections, complete fire investigations, or manage special events. This change will reduce overtime currently associated with calling in inspectors. The department is confident that we will be able to distribute the inspection workload to allow for the elimination of one fire inspector position. In addition, the reorganization includes the creation of a Public Education Team to

CITY OF APPLETON – 2011 BUDGET EXECUTIVE SUMMARY

assist with managing and developing public education efforts. Administrative staff members will manage scheduling and administrative tasks associated with our Public Education Division. The fire protection engineer will take on additional responsibilities and oversight of the Fire Prevention Division. The deputy chief of operations will become the department deputy chief.

- Continuing discussion with the cities of Neenah and Menasha and the Town of Grand Chute to establish automatic aid agreements.

In 2011 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 2011 Budget includes :

- Elimination of one Fire Inspector position (\$55,770); and
- Elimination of the Public Education Specialist position, split between Police and Fire (\$41,894 each department) and reallocation of the duties of this position to other existing staff

Haz-Mat Level A

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

There are no major changes to the HazMat grant for 2011.

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

Debt Service Funds	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
Debt Service Funds	7,724,031	8,520,075	8,685,008	8,685,008	8,631,675

There will be no general obligation borrowing in 2010 due to available funds for the small capital improvements plan for 2010. Several of the 2010 projects have been delayed until 2011. Due to cash flow issues in Tax Incremental District #6, \$781,707 has been levied to fund debt service requirements. This has been 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.

**CITY OF APPLETON – 2011 BUDGET
EXECUTIVE SUMMARY**

	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
Water Utility	15,283,139	15,893,399	17,440,446	17,845,694	17,848,797

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 2011 Budget for treatment operations includes the following:

- Elimination of the Utilities Secretary position (\$58,944), partially offset by a reallocation of a portion of an Administrative Secretary position from the Wastewater Utility (\$34,384)
- A shift of water production to off-peak hours to take advantage of lower off-peak electricity pricing (\$30,000 reduction in electrical usage); and
- The third year of a four year project to complete maintenance painting of the softener basins, as well as basin cleaning (\$150,000).

The budget for distribution reflects the elimination of one Water Meter Technician position (\$73,250) that has been held vacant since the retirement of the former technician, reflecting efficiencies found and reprioritization of duties in the maintenance of water meters.

In addition to funding for various necessary distribution infrastructure capital improvements (\$2,721,702), the 2011 Budget also includes the following capital expenditures:

- \$160,000 for secondary membrane treatment, part of the resolution of the water plant's cold water capacity issue;
- \$ 35,000 for land acquisition for future pressure relief valve stations; and
- \$125,000 for upgrades to the plant's hot water system.

The Water Utility completed a water rate study earlier in the year that is under consideration by the Wisconsin Public Service Commission (PSC). A decision from the PSC is expected by year-end. A rate increase of 9.5% overall has been incorporated in the 2011 Budget, however the allocation of the increase between classes of customers is still to be determined by the PSC.

	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
Wastewater Utility	11,226,733	11,108,986	11,900,956	11,570,100	11,492,348

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.

CITY OF APPLETON – 2011 BUDGET EXECUTIVE SUMMARY

The 2011 Budget includes funding for various necessary capital improvements in both treatment and collection systems. In addition to \$4,499,888 of infrastructure construction projects, the 2011 Budget includes the following:

- \$210,000 to replace and upgrade the existing wireless telecommunications to a voice over internet protocol (VOIP) system similar to that in use in all other City facilities;
- \$100,000 to continue evaluation of composting as way to provide long-term sludge storage capacity;
- \$125,000 to enhance the plant's sanitary sewer capacity;
- \$250,000 to replace the diffuser in the aeration tank; and
- \$ 5,000 for engineering for future receiving station upgrades.

The budget also reflects the following operating changes:

- Reallocation of a portion of the Administrative Secretary position from the Wastewater Utility (\$34,384) to the Water Utility, partially offset by the return to Wastewater of the .25 FTE of this position that was previously allocated to the Facilities, Grounds, and Construction Management department (\$17,191);
- A \$200,000 reduction in natural gas consumption as a result of the completion in 2010 of the project to use waste digester gas for process heating;
- A decrease in electrical consumption resulting from the installation of an energy efficient high pressure blower (\$75,000), offset by an increase in electrical cost due to the elimination of the Point Beach credit for electrical use; and
- \$325,000 for the second year of a two-year project to clean and inspect the primary anaerobic digesters.

The budget also includes a rate increase of 5%, to be effective July 1, 2011. The increase is needed to meet debt coverage ratio and cash flow requirements. This increase has already been delayed one year by using available cash reserves to fund capital projects in 2009 and to fund debt service requirements in 2010.

	2008 Actual	2009 Actual	2010 Budget	2010 Projected	2011 Budget
Stormwater Utility	5,460,252	5,713,721	5,973,599	5,820,810	6,096,460

Stormwater Utility

The Stormwater Utility was created to provide for the management of surface water run-off in the City of Appleton. Maintaining the current facilities to ensure they are operating at their designed potential to prevent system failures is one component of the stormwater program. Capital construction includes designing, building, and replacing of stormwater facilities to ensure compliance with established regulations, to protect surrounding infrastructure and the environment, to increase the acres of land for development and prevent system failures. Maintenance and Capital budget expenses are scrutinized to minimize changes in the stormwater utility rate, which is currently \$125 per equivalent residential unit (ERU) per year and was last changed in July, 2010. The next increase is not expected until 2013, when it is currently forecast to increase approximately 9.5%.

This budget reflects a relatively lower level of stormwater facilities construction (\$2,252,541) in anticipation of a significant project planned for 2012 (Theodore St. Phase 1 flood storage) and the completion of 2010 projects already under way that will carry over into 2011. It also includes a .2 FTE allocation of the Horticulturist position from Forestry (\$14,632), offset by a reduction in consulting expense for work with the various plantings in and around stormwater detention facilities.