

City of Appleton, Wisconsin



2017 ADOPTED BUDGET AND SERVICE PLAN EXECUTIVE SUMMARY

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





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

OFFICE OF THE MAYOR

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October 5, 2016

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

Dear Appletonians:

I present to you the 2017 Budget and Service Plan, including the five-year Capital Improvement Plan. As always, our goal in putting this budget together is to provide you a budget that continues to allow for high-quality, efficient service while preparing Appleton for long-term success through strategic investments in our community.

Over the past several years we have undertaken a number of initiatives designed to provide the framework for the future of our downtown and our City. The Downtown Parking Study was completed in 2015 and the first phase of implementation was done in 2016. This year we have completed the Downtown Accessibility and Mobility Study and accepted its recommendations for future implementation. And as we near the end of 2016 we are preparing to adopt the update to the City's Comprehensive Plan including the next chapter of our Downtown Development Plan. But we all know that a plan is only as good as its implementation.

As time passes, it is becoming more evident that a city's ability to attract people to take up residence and therefore become the pool of talent our businesses need to grow and be successful is the key to that city's economic future. Remember, in today's economy, the number one concern of business owners is the ability to attract the talent needed to sustain and grow their business. Coupled with this concern of business owners is the reality that more and more people are choosing first where they want to live before looking for employment. In the equation of economic development, this means we are in competition with other urban areas across the state and across the country for people...especially those with the skills business owners are looking for.

In today's reality, businesses are looking for locations that have the available talent to fill the jobs they need to grow and expand their business. In this new reality, quality-of-life amenities are playing a more important role in the ability of any region to attract new residents to fill that labor pool requirement.

Our commitment to investing in our quality-of-life here in Appleton, as well as our deliberate planning efforts and subsequent implementation, is starting to pay off. I believe our continued diligence is one of the things that has landed us on Money Magazine's list of "Best Places to Live" in the country at #24, and the only city in Wisconsin to make the top 50! Appleton has many of the desirable elements people are looking for when choosing a place to live, work and invest in. We remain one of the safest cities not only in Wisconsin, but also in the country. We are a clean city

with well-maintained infrastructure and parks. Appleton is easily navigated on foot on our sidewalks and developing trail system and we are becoming more bike friendly with the implementation of our bike plan. And we have a good public transportation system with Valley Transit. We are also the center of many cultural activities; a world class performing arts center which happens to be the home of a very successful Fox Valley Symphony Orchestra; one of the largest and most successful farmer's markets in the State and special events like the Mile of Music and Oktoberfest, as well as others throughout the year. All of these elements together make Appleton a special place and positions us to take advantage of the growing trend of renewed urban living occurring all across the country.

This year Appleton has continued to experience steady growth in the number of inquiries regarding new projects and redevelopment projects and we are poised to benefit from our commitment to planning and the subsequent implementation of those plans. This 2017 Budget and Service Plan builds on our past efforts and provides funds for the further implementation of the plans we have set in place. In today's economy, private sector investment is competitive and measured, and public sector quality-of-life initiatives are playing an ever-increasing role in those private sector decisions. Therefore, as a City, we must move forward, confident in our planning and willing to demonstrate our commitment to invest in our own future.

I would be remiss if I didn't say something about our water, wastewater and stormwater utilities. Over the years, Appleton has invested millions of dollars in the modernization and upkeep of these utilities and their associated infrastructure. In order to keep these utilities on solid financial footing, we have had to adjust our associated utility rates periodically. These adjustments have led some to claim that Appleton's utility rates were unreasonably high compared to our neighbors. I am proud to report that today our facilities and infrastructure are modern and meet all required State and Federal regulations. Not only do they meet the required regulations, but our combined sewer and water rates are second lowest in the Fox Cities. And when our stormwater rates are added, Appleton is still below the average for rates across the region. Additionally, our rates are not only reasonable today, but there are NO planned increases in the rates for any of our utilities in the near future! This is yet another example of good planning and prudent implementation that will benefit the rate payers for years to come.

CAPITAL PLANNING

The 2017 Budget continues to place an emphasis on capital projects and their planning. As stated, the Downtown Parking Study was delivered and adopted in 2015 and the Accessibility and Mobility Study was adopted earlier this year. The update to the City's Comprehensive Plan and Downtown Plan is also due to be completed in 2016. This budget includes funds for the continued implementation of the recommendations from the Parking Study as well as initial implementation of recommendations coming out of the Accessibility and Mobility Study. This budget also includes resources to continue the process of planning for the future of the Library.

Parking – Funds for the next phase of implementation of the parking recommendations are included for conversion of our parking meters to accept alternative forms of payment such as debit and credit cards as well as software to enable patrons to remotely pay for their parking. Funds are also included to begin the process of the demolition of the Blue Parking Ramp. Funds in 2017 will allow for the acquisition of adjacent properties as well as the engineering needed to accomplish the demolition in 2018-2019. Funds are also included for the initial design of a new parking structure to be located south of College Avenue with anticipated construction in 2018-2019.

Traffic – Funds are included for initial implementation of recommendations coming out of the downtown Accessibility and Mobility Study. As projects such as the Library and Exhibition Center move forward, changes in the downtown traffic patterns will need to be considered and addressed. I have included \$100,000 in 2017 with major construction planned for 2018-2019.

Exhibition Center – Funds are included to complete our commitment to this project. Work includes infrastructure and reconstruction of Lawrence Street as well as our part of the cost of the pedestrian bridge from the center to the Radisson Paper Valley Hotel.

Jones Park – We've known for a long time that Jones Park is one of our best opportunities to strengthen the link of our downtown to the continued development of our riverfront. The approved design of the Exhibition Center has given us the impetus to reconfigure Jones Park to solidify that link as well as provide a wonderful amenity for patrons using the new Fox Cities Exhibition Center. \$1,550,000 is included for this project.

Library – I have included \$500,000 in the 2017 Budget and a total of \$30,500,000 overall for the Library project once a decision is made as to the preferred solution. I anticipate a collaborative decision making process involving both the Library Board and the Common Council to reach a consensus solution regarding the future of the Library.

RMS – Funds are included for new Records Management Systems for both the Police and Fire departments. Current RMS services are provided through Outagamie County who is planning to upgrade their RMS package. The current system does not provide the level of service needed by modern, urban police and fire departments and the County is unwilling to invest in a Records Management System that meets the needs of the Appleton Police Department. The County has also indicated that they will not provide a RMS for fire services. Therefore we have had discussions with both the Grand Chute and Metro police departments regarding sharing the cost of a system that meets the needs of our urban departments and I have included a total of \$419,500 for Appleton's projected share of that cost.

DEBT SERVICE

General obligation debt service costs jumped in the 2017 Executive Budget due mainly to the City investing over \$10 million in 2016 for improvements to Erb Park and Pool as well as other capital projects. The improvements to Erb Park along with the reality of the long anticipated Fox Cities Exhibition Center have generated considerable excitement within the community and will draw visitors from throughout the State. However, the improvements do not come without a cost. As a result of the investment in these projects, along with others in 2016, as well as changes in the 2017 payments of prior year issues, total debt service costs increased from \$4,833,023 in 2016 to \$7,014,437 projected in the 2017 Executive Budget. The property tax levy necessary to support this increase also rose \$943,455 (32.2%) from \$2,928,106 in the 2016 Budget to \$3,871,561 for 2017 resulting in the debt service portion of the total tax levy increasing from 7.5% to 9.5%.

Total general obligation debt outstanding at December 31, 2016 is projected to be \$46,588,248 compared to \$31,535,000 outstanding at December 31, 2015, an increase of \$15,053,248. However, despite the increase in outstanding debt, the City is well below its legal debt limit of \$246,936,265 and the amount outstanding compares favorably with similar sized communities throughout the State.

For 2017, \$15,373,488 in general obligation notes are expected to be issued to fund various capital projects in the areas of infrastructure (\$4,789,787), facility construction and improvements (\$5,290,500), equipment (\$1,323,311) and parks and trails (\$3,969,890). A complete list of anticipated debt-financed projects for 2017 can be found on page 551.

CONTINGENCY FUNDS

Established contingency funds continue to be preserved in the 2017 Budget. As in past years, a portion of the contingency funds will be used to fund ongoing operational expenses in 2017 as described below. All unused contingency funds at the conclusion of 2016 are anticipated to be carried over into 2017.

- The 2017 Budget includes a 2.0% cost of living increase for all employees not covered by collective bargaining agreements. The funding for this increase is included in a \$400,000 addition to the wage reserve contingency fund along with anticipated carryover of the balance of this fund from 2016 to 2017. Employees may also earn an additional amount through the City's pay-for-performance compensation plan. Any additional amounts earned through the plan are anticipated to be funded through any existing balance in the wage reserve contingency fund as well as surplus funds from 2016 operations.
- The final \$16,707 of the reserve established from the settlement with Time Warner Cable to provide the public electronic access to City government proceedings will again be used towards the annual software maintenance charge for the recording system used in the Council Chambers. This system both streamlines the preparation of documents (i.e., agendas and minutes) and makes audio and video recordings of committee and Council meetings available to the public. This contingency fund is expected to be exhausted in 2017.
- All unused contingency funds in the Unclassified section of the budget are again anticipated to be carried over from 2016 to 2017. Estimated balances in the contingency funds available for carryover at the conclusion of 2016 include:
 - Time Warner Cable PEG Access Settlement Funds \$ 16,707
 - State Aid Contingency \$849,107
 - Operating Contingency \$402,298
 - Fuel Contingency \$137,315
 - Wage Reserve \$350,939

COMMUNITY AND ECONOMIC DEVELOPMENT

The Community and Economic Development Department will continue to implement the Economic Development Strategic Plan's primary goals and key strategies, and support local and regional community and economic development activities with a budget of \$36,000. This budget also includes \$36,000 or \$.50 per capita to support the Fox Cities Regional Partnership. The investment of the \$36,000 into the Fox Cities Regional Partnership will be for services and programs that align with the City's Economic Development Strategic Plan and updated Comprehensive Plan. This provides a total of \$72,000 to support local and regional economic development. Capital budget items include:

- TIF District 6 and Southpoint Commerce Park – \$2,888,230. The 2017 budget provides funding to extend Vantage Drive from Lakeland Drive to Eisenhower Drive and Millis Drive from Alliance Drive to Eisenhower Drive as the next phase of Southpoint Commerce Park and the final phase that would be paid for by TIF #6. The City utility infrastructure is being completed in 2016 and non-City utility infrastructure and paving will be completed in 2017. Eisenhower Drive will also be constructed in concrete in 2017. Non-City infrastructure includes gas, electric, cable service, and street lights. Funding in 2018 and beyond would be for maintenance of the Park that will come from the Industrial Park Land Fund while TIF #6 recaptures the investments it has made in this District. The City will evaluate the need for additional infrastructure and platting of the land for the Park and will determine at a later date if a new TIF District will be created in 2018 or beyond to fund these costs. This project will decrease leasable land in the District from about 144 acres to 142 acres. Twenty percent (20%) of the revenue collected for the lease of this land is payable to TIF #6.
- Community & Economic Development – The goal of the Appleton Redevelopment Authority (ARA) is to provide for redevelopment activities throughout the city in order to maintain and enhance viable residential, commercial and industrial development. In order to meet this goal, \$500,000 is included in this budget for site acquisition and project implementation.

Additionally, with the 2016 update of the City's Comprehensive Plan and rewrite of the Downtown Plan goals, objectives, and policies have been identified to increase the vitality of our Central Business District by working cooperatively and systematically to promote growing populations, diversity in art, lifestyle, and activities while addressing vacancies, and opportune development sites. \$500,000 in funding is also included to support these goals, objectives and policies.

FISCAL

- Tax Levy – General fund expenditures increased \$1,281,482 in the 2017 Budget, a 2.12% increase while general fund revenues increased \$671,264, or 2.53% over the 2016 Budget. The increase in revenues was primarily due to interest received on general fund loans to the City's TIF districts and a transfer of \$275,000 of excess fund balance from the Subdivision Fund. After applying the available fund balance, the operating tax levy is expected to increase \$844,600 or 2.52%. At the same time, the tax levy in the debt service fund increased \$943,455, or 32.22%. Combined, the overall tax levy for the City is expected to increase \$1,788,055, or 4.59% in 2017 which is within State imposed levy limits.
- Tax Rates – The City's equalized value increased 2.53% to \$4,938,725,300 in 2016 which equates to an estimated \$100,094,417, or 2.09% increase in assessed value. Applying the assessed value to the tax levy results in the following projected assessed tax rates:
 - Outagamie County – \$8.62, an increase of 23 cents, or 2.68%
 - Calumet County – \$8.65, an increase of 26 cents, or 3.14%
 - Winnebago County – \$8.48, an increase of 11 cents, or 1.37%

On an equalized value basis, the tax rate is projected to be \$8.54, an increase of 19 cents, or 2.28%.

- Debt and Fund Balances – The City's established debt and fund balance policies are met by this budget providing confidence in the continuation of the City's outstanding bond ratings and financial stability.

UTILITIES

- Water – The budget includes \$175,000 for various building needs at the Water Filtration Plant. Improvements planned for the Water Filtration Plant in 2016 include \$115,000 for roadway replacements, \$10,000 for turf maintenance and \$50,000 for electrical distribution. Additionally, this budget includes \$600,000 for chemical storage rehabilitation, \$146,000 for additional variable frequency drives (VFD's) for the two remaining high lift pumps that do not already have VFD's, \$60,000 to install a mixer at the north reservoir, \$30,000 to replace an aging water softener and \$5,000 to start a two-year project to replace the computer control uninterruptable power supply system. The budget also includes \$75,000 to begin engineering work for a multi-year project to upgrade the lake intake and to construct a second raw water line between the lake station and the Filtration Plant. Water utility infrastructure improvements planned for 2017 include \$3,855,618 for the replacement of aging distribution and transmission mains. The multi-year project to replace the existing radio-read water meters with an advanced metering infrastructure (AMI) reading system will be completed in 2017. The cost to complete those replacements is budgeted at \$486,729. Significant operations and maintenance expenses in 2017 include the painting of the north reservoir estimated to cost \$675,000. There are no planned water rate increases for 2017.
- Wastewater – The 2017 Budget includes \$2,984,804 of improvements to the wastewater collection system along with \$500,000 to install a new lift station on the north side of the

City and \$166,000 to complete electrical upgrades at the Midway Road lift station. The budget also includes funds for the following projects at the treatment facility: \$1,875,000 to complete pumping improvements at effluent pump station #1 to meet Department of Natural Resources requirements, \$600,000 to rehabilitate the chemical storage and feed system, and \$390,500 for three separate projects to replace aging treatment equipment and pumps. There are also a number of building and grounds projects at the treatment facility as part of the budget: \$220,000 to replace part of the roadways; \$255,000 to replace aging HVAC and lighting equipment; \$200,000 to start a two-year project to upgrade the electrical distribution system; \$215,000 to replace part of the water lateral, and \$160,000 for painting and asbestos removal. The Utility continues to work with the Wisconsin Department of Natural Resources on new NR 217 and total maximum daily load (TMDL) limits for phosphorus. The new limits are approximately five times more stringent than what was required in the facility's previous discharge permit. The wastewater utility has completed an initial evaluation of treatment and compliance alternatives to meet the reduced limits. In this effort, staff introduced in-stream phosphorus monitors in two process locations in an effort to capture, with accuracy, where phosphorus levels are in the plant. Future project planning will be dependent on outcomes from present year chemical treatment and phosphorus testing. There are no planned wastewater rate increases for 2017.

- Stormwater – Continuing the implementation of the City's Stormwater Management Plan, this budget dedicates \$12,441,669 to ongoing infrastructure improvements including \$759,800 for land acquisition and design of two future projects and \$3,830,320 for construction of the Northland Pond. There are no planned stormwater rate increases for 2017.

PERSONNEL

Included in the 2017 Executive Budget are the following personnel additions and changes:

- Addition of a .60 FTE Administrative Assistant position at Valley Transit. The full-time Administrative Assistant position which had existed previously was converted to a Paratransit Coordinator position in 2013.
- Increasing a .25 FTE non-benefited part-time Weights and Measures Specialist position to .5 FTE to respond to the growth in the number of measuring devices needing certification, both in Appleton and in the surrounding communities that make up the weights and measures consortium.
- Deletion of a .8 FTE Public Health Nurse due to grant funding guideline changes from a nursing role to a coordination role, which resulted in the discontinuation of the contractual arrangement between the Health Department and Oneida Heights senior residence to provide on-site nursing services.
- Making the .5 FTE grant-funded Library Hispanic Outreach Coordinator position a permanent City-funded position. This position was initially supported by a three-year grant, which expires at the end of this year.
- Elimination of two part-time cashier positions in the Parking Utility (.8 FTE combined) and replacing those positions with a full-time Lead Parking Service Person, a new position created to extend the hours of customer service to help customers with the new pay-on-exit system.

CAPITAL IMPROVEMENT PROGRAM

Highlights of the remainder of the 2017 Capital Improvement Projects (CIP) are as follows:

- Maintaining and improving public infrastructure remains a top priority of the City as this budget invests over \$11.2 million in road, bridge, and sidewalk improvement projects including the reconstruction of portions of Owaissa Street, Glendale Avenue, Lawrence Street, and Edgewood Drive among others. Funds have also been earmarked for right-of-way land purchases related to the Oneida Street reconstruction project. Additionally, as previously discussed in greater detail, approximately \$20.1 million is planned to be invested in water distribution, sewer collection, and stormwater management infrastructure improvements.
- Proper maintenance of City facilities, parks, and properties continues to be a major challenge for the City. To meet this challenge, this budget includes investments in the following areas: \$897,000 for improvements to grounds, roadways, parking lots, pavilion lots, and trails; \$1,160,000 for HVAC, lighting, plumbing and electrical upgrades to various City facilities; \$400,000 for a partial roof replacement at the Municipal Services Building and roof replacements at Fire Stations 3 and 5; \$232,500 for new furniture and work stations; \$250,000 to resurface the Police Station parking deck; \$290,000 for safety and security upgrades at the Municipal Services Building, Library, Police Station and various City parks, and \$95,000 for renovations to various City facilities including the first floor customer service area at City Hall.
- Public safety investments include \$152,000 to fund the fourth year of a multi-year project upgrading the emergency vehicle signal preemption equipment in order to improve safety at signal-controlled intersections during emergency fire calls, and \$198,600 to add more outdoor training space adjacent to the training tower at Fire Station #6. Additionally, \$25,000 is reserved to purchase heavy rescue and confined space rescue tools to enhance firefighter rescue capabilities, and \$27,600 has been included to install an outdoor warning siren for the southeastern portion of the City which currently does not have coverage. The siren would be purchased by the City, but owned, activated, and maintained by Outagamie County.
- Information Technology projects include \$377,000 to fund the second year of a multi-year project to replace the City's aging mainframe computer with an enterprise resource planning (ERP) system. The second year of this project includes completing the installation of the financial, human resource, and computer aided mass appraisal (CAMA) systems. Additionally, \$75,000 is included to upgrade the wireless system in various City facilities to the latest wireless technology. Finally, \$48,480 is earmarked to purchase electronic poll books for the City Clerk's Office. The poll books have recently been certified by the State and will reduce voter wait times, increase accuracy of the voter information, and improve the election-day experience for both voters and poll workers.
- This budget continues the Public Works Department's traffic camera program investing \$27,500 in the installation of cameras at seven new locations in 2017. The program, which began in 2006, has proven to be an invaluable tool in monitoring traffic, reacting to accidents, monitoring road conditions, and effectively dealing with safety issues. Additionally, the Department is in the second year of a three year program to retrofit existing street lights with energy-efficient street lighting technologies. The investment of \$126,883 per year is expected to be paid back in electricity cost savings in 3 to 5 years. Finally, as recommended by the recently concluded Downtown Parking Study, \$98,900 has been included to purchase a parking time-limit enforcement vehicle. The high-tech vehicle, which uses drive-by license plate recognition and GPS technology, will be used to efficiently enforce time-restricted parking zones throughout the City.

- Quality of life improvements in the 2017 Budget focus on maintaining and improving our parks, expanding our trail system, and preserving City monuments. In order to achieve these goals, \$175,000 has been dedicated to a new design of the Jones Building, and improvements to the walkway, gardens, and lighting at the Scheig Center. This budget also promotes the expansion of our trail system by including \$475,000 for the construction of a riverfront trail through Lutz Park and the Appleton Yacht Club property, and planning and design of a new Trolley Square trestle trail. Additionally, this budget commits \$235,000 to improvements at the Telulah Park skateboard park, Linwood Park tennis courts, Kiwanis Park playground area, and improvements to various parks throughout the City to conform with the Americans with Disabilities Act (ADA). Finally, this budget earmarks \$25,000 for preserving and restoring City monuments by committing internal resources, as well as partnering with local non-profit groups, to preserve and extend the life of statues and monuments throughout the city.

CONCLUSION

In 2017, we have the opportunity to make strategic, calculated expenditures to leverage all the good things we have for an even better future for our citizens. But as we consider these decisions, it is important to remember that the one thing that doesn't change is the City's mission of meeting the needs of the community and enhancing the quality of life. Our citizens demand that we continue to meet that mission at the same time we strive to minimize the burden of doing so. This means that we must continue to find ways to be more efficient with the resources that our citizens entrust to us and to look for ways to permanently reduce our overhead while minimizing the impact on the services that our citizens have come to expect from the City. This is a trend that I believe needs to continue into the future whether we are in good times or not so good times.

It is my great honor to say thank you to our department directors and all of our employees for their ongoing dedication and selfless service to our organization and our community. In particular, I would like to recognize Finance Director Tony Saucerman, Deputy Director Stephanie Rogers, John Hoft-March and Kelli Rindt for the many hours they have spent preparing this document, along with the incredible job they do each day to keep our City in excellent financial condition. 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 while providing the basic essential needs of our city. 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 well positioned for a bright future.

Sincerely,



TIMOTHY M. HANNA
Mayor of Appleton

CITY OF APPLETON – 2017 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.

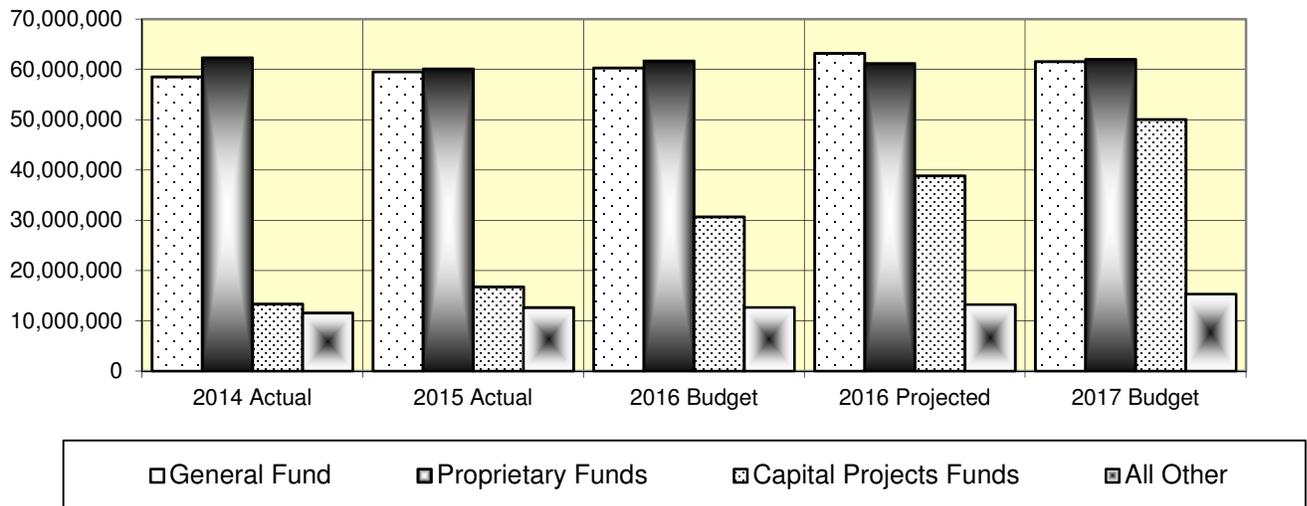
Table 1: TOTAL EXPENSES – ALL FUNDS ¹

	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget
General Fund	\$ 58,520,875	\$ 59,571,765	\$ 60,325,789	\$ 63,202,081	\$ 61,607,271
Debt Service Funds	5,070,261	5,201,008	4,833,023	4,833,023	7,014,437
Special Revenue Funds	6,452,674	7,434,758	7,844,198	8,414,798	8,292,758
Capital Projects Funds	13,339,138	16,782,740	30,708,812	38,852,809	50,027,565
Enterprise Funds	47,670,366	49,706,540	51,699,732	50,822,193	51,634,737
Internal Service Funds	14,681,730	10,456,914	10,009,551	10,410,418	10,421,947
Permanent Funds	34,806	-	-	-	-
Total – All Funds	\$ 145,769,850	\$ 149,153,725	\$ 165,421,105	\$ 176,535,322	\$ 188,998,715

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

² Note: For a listing of total expenditures by individual fund, please see Table 12.

Fig. 1: COMBINED SUMMARY OF EXPENSES



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

CITY OF APPLETON – 2017 BUDGET EXECUTIVE SUMMARY

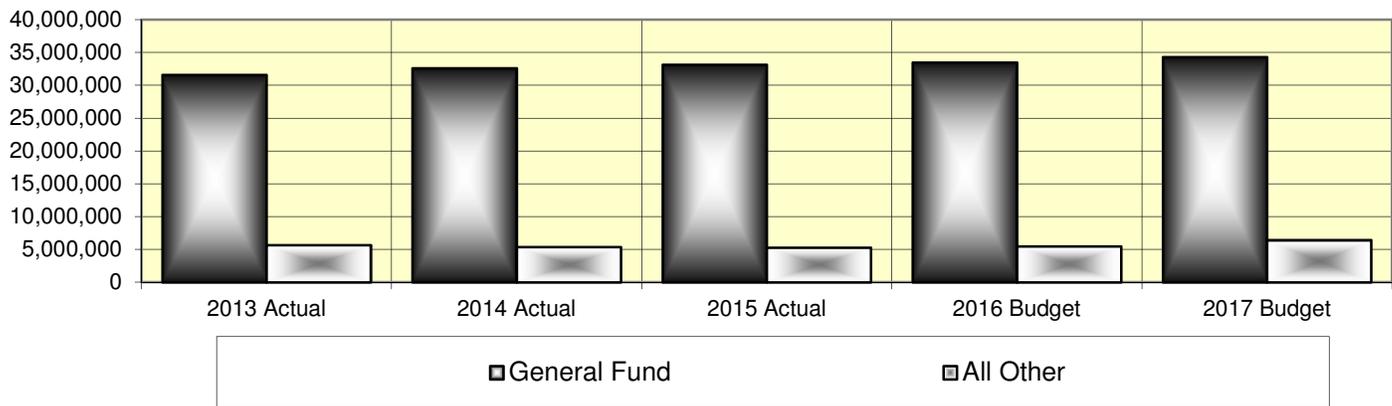
PROPERTY TAXES

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

Fund	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget
General Fund	\$ 31,582,130	\$ 32,620,669	\$ 33,142,478	\$ 33,477,723	\$ 34,322,323
Debt Service Funds	3,100,722	2,825,388	2,724,872	2,928,106	3,871,561
Special Revenue Funds	2,075,188	2,050,913	2,047,968	2,047,968	2,047,968
Capital Projects Funds	500,000	500,000	500,000	500,000	500,000
Total – All Funds	\$ 37,258,040	\$ 37,996,970	\$ 38,415,318	\$ 38,953,797	\$ 40,741,852

Fig. 2: PROPERTY TAX LEVY BY FUND



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

CERTIFIED APPORTIONMENT OF PROPERTY TAXES

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

Of the total 2016 property tax levy (payable in 2017), approximately 35% is levied for various City operations as illustrated in Table 3 and in Figure 3 following. Another 37% is levied by the Appleton, Menasha, Kimberly, Hortonville and Freedom school districts, 19% by Outagamie, Calumet, and Winnebago counties, 5% by Fox Valley Technical College, and 3% by the State of Wisconsin. The remaining 1% is levied 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 the general fund, as applicable.

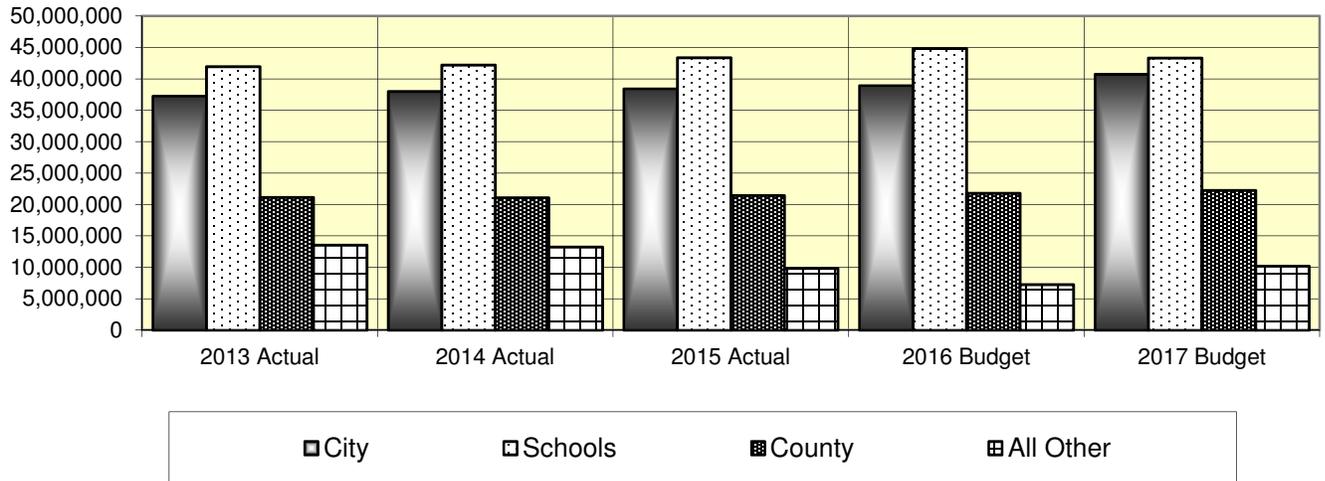
CITY OF APPLETON – 2017 BUDGET EXECUTIVE SUMMARY

Table 3: CERTIFIED APPORTIONMENT OF PROPERTY TAXES *

Apportionment	2013	2014	2015	2016	2017
City	\$ 37,260,671	\$ 37,998,938	\$ 38,418,146	\$ 38,953,797	\$ 40,741,852
Technical College	8,853,045	8,840,333	5,096,025	5,214,488	5,318,570
Schools	41,942,408	42,195,792	43,375,387	44,827,382	43,321,815
State	789,372	784,434	797,052	817,432	838,131
County	21,143,919	21,086,515	21,437,002	21,790,526	22,254,692
TIF Districts	3,896,970	3,595,830	3,954,962	1,226,065	4,023,626
Total - All Portions	\$ 113,886,385	\$ 114,501,842	\$ 113,078,574	\$ 112,829,690	\$ 116,498,686
Less State Credits	6,916,444	6,776,579	6,748,872	7,693,860	7,760,188
Net Tax Levy	\$ 106,969,941	\$ 107,725,263	\$ 106,329,702	\$ 105,135,830	\$ 108,738,498

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

Fig. 3: CERTIFIED APPORTIONMENT OF PROPERTY TAXES



TAX LEVY

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

Tax Levy	2013	2014	2015	2016	2017
City	\$ 8.0311	\$ 8.1358	\$ 8.3495	\$ 8.3950	\$ 8.6205
WCTS	1.9082	1.8928	1.1075	1.1238	1.1253
Schools	9.0263	9.0137	9.4139	9.6548	9.1486
State	0.1644	0.1628	0.1672	0.1706	0.1713
County	4.5627	4.5168	4.6687	4.7199	4.7123
Gross Tax Levy	\$ 23.6927	\$ 23.7219	\$ 23.7068	\$ 24.0641	\$ 23.7780

* Outagamie County/Appleton Area School District only.

The City Assessor is charged with maintaining assessments of the value of property in Appleton at or near 100% of market value. The assessed values are used to determine how much of the community's total levy is paid by each property owner. For example, a person who owns 1% of a community's assessed value will pay 1% of the taxes. Increases or decreases in assessed value with no additional property added or demolished will change the individual's share of the property tax levy only.

CITY OF APPLETON – 2017 BUDGET EXECUTIVE SUMMARY

Assessed values are reported to the State, which in turn 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. In the case of the City of Appleton, since we are located in three counties, the equalized values are also used to distribute the tax levy to various portions of the city. This gives rise to the multiple tax rates (“mill” rates; there are currently eight) we have in Appleton, which vary by the county and school district in which the property is located.

If the total property remains stable (i.e., net new construction, defined as- new construction less properties razed or converted to non-taxable status, equal to zero), increases in the levy will result in increased assessed rates. Appleton has had a 5.7% increase in net new construction from 2013 to 2017, while the tax levy has increased by 9.3%.

Table 5: TOTAL FULL TIME EQUIVALENT (FTE) EMPLOYEES

DEPARTMENT	2014	2015	2016	2017
Legal Services	8.67	8.67	8.67	8.67
Finance Department	8.85	8.80	8.20	8.20
Fire Department	96.00	96.00	96.00	96.00
Health Department	12.55	12.55	12.25	11.95
Health Grants	1.66	1.66	1.46	1.46
Information Technology	11.00	11.00	11.00	11.00
Library	45.50	46.50	46.00	46.00
Mayor's Office	3.00	3.00	3.00	3.00
Facilities Management	10.23	10.25	10.25	10.25
Facilities Capital	0.40	0.40	1.40	1.40
Parks & Recreation	15.00	16.28	16.62	16.62
Reid Golf Course	1.93	2.67	2.67	2.67
Human Resources	6.15	6.15	6.15	6.15
Risk Management	2.98	2.98	2.98	2.98
Community Development	18.13	18.13	18.13	18.13
Housing & Community Development Grants	1.50	1.58	1.58	1.58
Police Department	136.00	137.00	137.00	137.00
Public Works	62.58	62.58	62.47	61.88
Sanitation	17.49	17.49	17.49	17.49
CEA	14.51	14.51	14.51	14.51
Parking	11.28	11.28	11.30	11.50
Capital (TIF, Subdivision, etc.)	2.27	2.27	2.75	3.31
Stormwater Utility	19.67	19.67	19.69	19.66
Water Utility	37.73	37.73	38.24	38.28
Wastewater Utility	28.71	28.71	28.39	28.41
Valley Transit	54.13	54.50	54.50	55.10
Total Regular Employees	627.88	632.34	632.67	633.17

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. Position changes for 2017 are as follows:

- Addition of a .6 FTE Administrative Assistant position at Valley Transit,
- Increasing a .25 FTE non-benefited part-time Weights and Measures Specialist position to .5 FTE,
- Deletion of a .8 FTE Public Health Nurse position,
- Making the .5 FTE grant-funded Library Hispanic Outreach Coordinator position a permanent City-funded position, and

CITY OF APPLETON – 2017 BUDGET EXECUTIVE SUMMARY

- Elimination of two part-time cashier positions in the Parking Utility (.8 FTE combined) and replacement of those positions with a full-time Lead Parking Service Person.

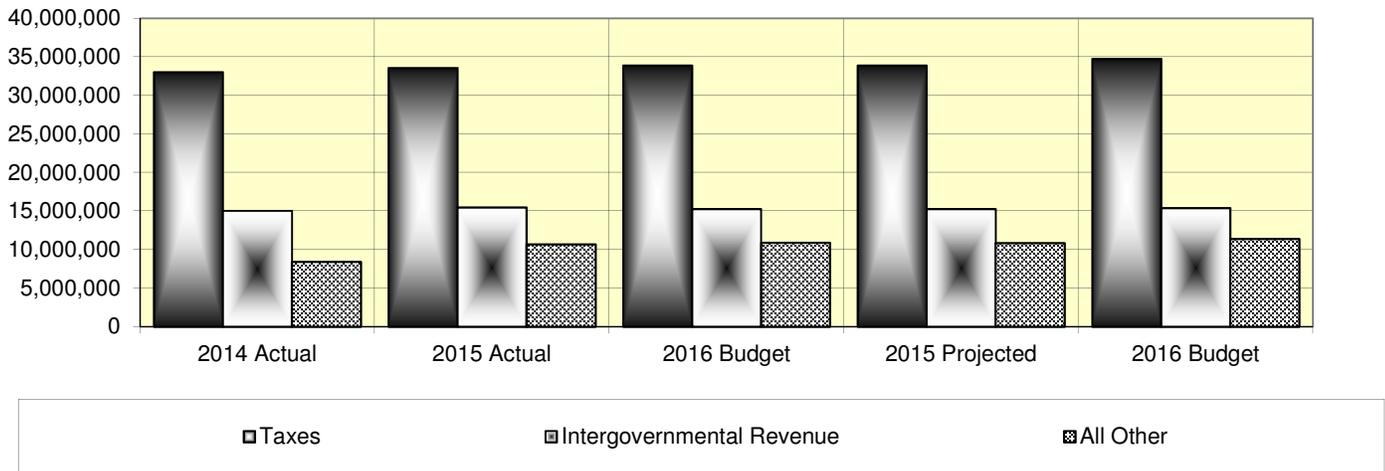
GENERAL FUND SOURCES OF REVENUE

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	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget
Taxes	\$ 33,022,948	\$ 33,561,615	\$ 33,885,223	\$ 33,885,223	\$ 34,750,823
Intergovernmental Revenue	15,037,259	15,469,342	15,263,780	15,266,808	15,398,072
Licenses and Permits	1,035,280	1,147,980	1,038,320	1,038,320	1,112,791
Special Assessments	1,220,878	470,806	439,000	439,000	287,200
Charges for Services	1,275,765	1,311,008	1,322,988	1,322,988	1,323,200
Interest Income	900,979	1,687,586	2,256,300	2,256,300	2,937,787
Fines and Forfeitures	310,674	273,814	340,000	340,000	340,000
Other Revenue	1,625,472	2,065,768	1,617,873	1,776,798	1,544,875
Total General Fund Revenue	54,429,255	55,987,919	56,163,484	56,325,437	57,694,748
Other Financing Sources	2,040,731	3,734,713	3,855,350	3,656,750	3,839,950
Total Revenue & Other	\$ 56,469,986	\$ 59,722,632	\$ 60,018,834	\$ 59,982,187	\$ 61,534,698

Fig. 4: GENERAL FUND SOURCES OF REVENUE



The largest single source of funding for General Fund operations is the property tax, which, with payments in lieu of property tax of \$428,500, will provide \$34,750,823 or approximately 61% of revenues in 2017. The next largest is intergovernmental transfers, of which \$9,751,877 is from the State government under the State shared revenue program, an increase of 0.08% from 2016. Overall, Intergovernmental Revenue, which also includes State aids for street reconstruction, accounts for approximately 27% of revenues. The remaining 12% of revenues will come from various other sources, as illustrated above. The 2017 budget is balanced with the planned use of \$16,707 of a reserve established for public education and government (PEG) access and of \$55,866 of accumulated fund balance.

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.

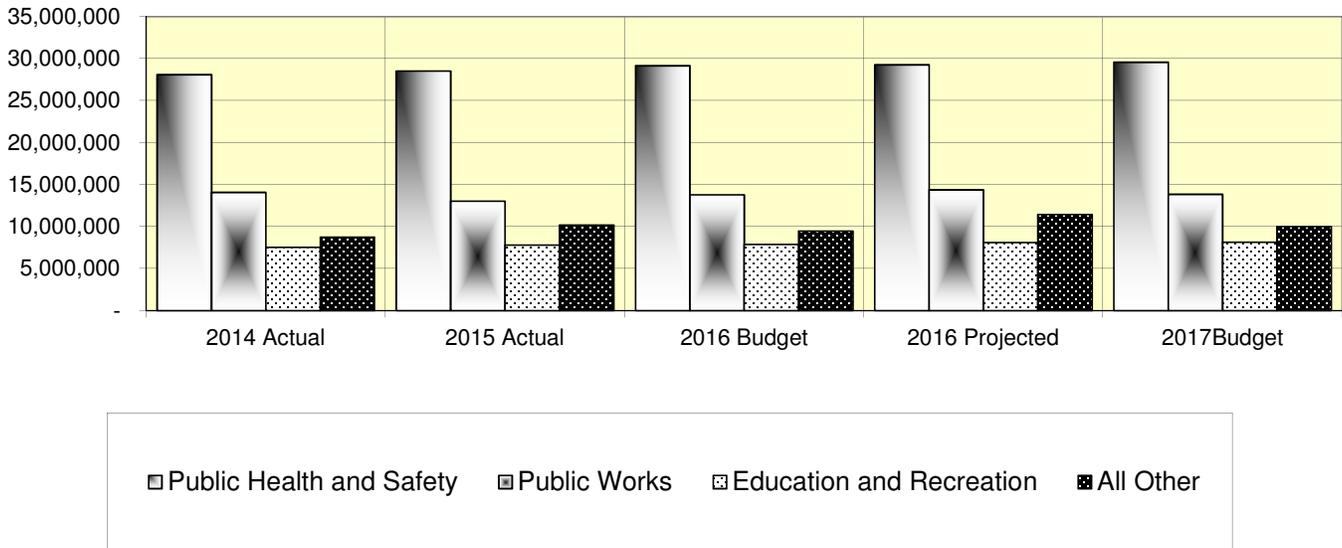
CITY OF APPLETON – 2017 BUDGET EXECUTIVE SUMMARY

Table 7: GENERAL FUND EXPENDITURES

Expenditures	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget
General Government	\$ 6,600,117	\$ 6,996,188	\$ 7,110,624	\$ 9,076,057	\$ 7,511,656
Community Development	1,618,637	1,699,819	1,742,806	1,757,007	1,789,369
Education and Recreation	7,564,048	7,804,714	7,902,524	8,105,382	8,171,102
Public Works	14,080,655	13,045,495	13,792,935	14,379,328	13,848,841
Public Health and Safety	28,102,962	28,537,213	29,167,627	29,275,034	29,580,006
Total Expenditures	57,966,419	58,083,429	59,716,516	62,592,808	60,900,974
Other Financing Uses	554,456	1,488,336	609,273	609,273	706,297
Total Expenditures & Other	\$ 58,520,875	\$ 59,571,765	\$ 60,325,789	\$ 63,202,081	\$ 61,607,271

The largest single expenditure for the General Fund is for public safety, which in 2017 accounts for approximately 49% of General Fund expenditures. Of that total budgeted expenditure, approximately 57% is for police protection, 39% for fire protection, and the balance for public health. The next largest portion of the budget (approximately 23%) is spent on public works, which includes street and sidewalk repair and reconstruction, traffic administration, street lighting, and snow removal. General Government and Education and Recreation expenditures account for approximately 12% and 13% of General Fund expenditures, respectively.

Fig. 5: GENERAL FUND EXPENDITURES



GENERAL GOVERNMENT

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

**CITY OF APPLETON – 2017 BUDGET
EXECUTIVE SUMMARY**

Table 8: GENERAL GOVERNMENT EXPENDITURES

EXPENSES AND OTHER FINANCING USES	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget
Common Council	\$ 135,157	\$ 139,943	\$ 147,476	\$ 147,476	\$ 150,396
The Mayor's Office	284,673	352,420	346,598	348,803	365,360
Finance	761,808	808,920	847,832	858,232	871,225
Information Technology	1,674,715	1,728,125	1,715,948	1,761,587	1,817,213
Human Resources	677,001	707,179	711,815	721,191	735,135
Legal Services	1,349,526	1,028,637	1,271,201	1,283,488	1,129,808
Unclassified	1,717,237	2,230,964	2,069,754	3,955,280	2,442,519
Total Expenditures	6,600,117	6,996,188	7,110,624	9,076,057	7,511,656
Other Financing Uses	554,456	1,488,336	609,273	609,273	706,297
Total Expenditures & Other	\$ 7,154,573	\$ 8,484,524	\$ 7,719,897	\$ 9,685,330	\$ 8,217,953

COMMUNITY DEVELOPMENT

The efforts of the staff of the Community and Economic Development Department form the basis of the City's community development activities. Major responsibilities include marketing and business retention efforts to attract new businesses and support existing ones, planning and zoning, and property assessment.

Table 9: COMMUNITY AND ECONOMIC DEVELOPMENT EXPENDITURES

EXPENSES AND OTHER FINANCING USES	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget
Community & Economic Development	\$ 1,618,637	\$ 1,699,819	\$ 1,742,806	\$ 1,757,007	\$ 1,789,369

EDUCATION AND RECREATION

The efforts of the staff of the Appleton Public Library and of the Parks and Recreation Department form the basis of the City's education and recreation activities. The Library runs a number of programs for readers of all ages, as well as providing access to circulating and reference materials and providing meeting space for a wide variety of groups. The Parks and Recreation department maintains all of the City's parks and provides a wide variety of lessons and recreational programs, including swimming programs at two City-owned pools and pools owned by the Appleton Area School District.

Table 10: EDUCATION AND RECREATION EXPENDITURES

EXPENSES AND OTHER FINANCING USES	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget
Library	\$ 4,327,036	\$ 4,411,772	\$ 4,454,259	\$ 4,639,173	\$ 4,641,001
Parks and Recreation	3,237,012	3,392,942	3,448,265	3,466,209	3,530,101
Total Education and Recreation	\$ 7,564,048	\$ 7,804,714	\$ 7,902,524	\$ 8,105,382	\$ 8,171,102

**CITY OF APPLETON – 2017 BUDGET
EXECUTIVE SUMMARY**

PUBLIC WORKS

The Public Works department's general fund budget provides for a variety of activities, including street repair and reconstruction, snow removal, building inspections, and installation and management of all traffic signals. Streets to be reconstructed are identified based on age and condition and are prioritized and coordinated with capital projects for all infrastructure, especially water mains and sanitary and storm sewer lines, to minimize inconvenience to the users and manage costs. A programmed growth and replacement schedule is established to minimize budgetary fluctuations.

Table 11: PUBLIC WORKS EXPENDITURES

EXPENSES AND OTHER FINANCING USES	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget
Public Works	\$ 14,080,655	\$ 13,045,495	\$ 13,792,935	\$ 14,379,328	\$ 13,848,841

PUBLIC HEALTH AND SAFETY

The Public Health and Safety function is provided by the Health, Police, and Fire Departments. It is the mission of the Appleton Health 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 community. The Department has three main programs; public health nursing, environmental health, and weights and measures.

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. .

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.

Table 12: PUBLIC HEALTH AND SAFETY EXPENDITURES

EXPENSES AND OTHER FINANCING USES	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget
Health	\$ 1,157,981	\$ 1,149,188	\$ 1,196,929	\$ 1,206,223	\$ 1,172,966
Police	15,991,507	16,186,952	16,642,266	16,731,644	16,938,058
Fire	10,953,474	11,201,073	11,328,432	11,337,167	11,468,982
Total Public Safety	\$ 28,102,962	\$ 28,537,213	\$ 29,167,627	\$ 29,275,034	\$ 29,580,006

DEBT SERVICE FUND

The Debt Service Fund is used to account for the payment of principal, interest, and other related costs of general long-term debt, excluding that payable from enterprise funds, which is accounted for in those funds.

Table 13: DEBT SERVICE FUND EXPENDITURES

EXPENSES AND OTHER FINANCING USES	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget
Debt Service Fund	\$ 5,070,261	\$ 5,201,008	\$ 4,833,023	\$ 4,833,023	\$ 7,014,437

**CITY OF APPLETON – 2017 BUDGET
EXECUTIVE SUMMARY**

SPECIAL REVENUE FUNDS

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

Table 14: SPECIAL REVENUE FUNDS EXPENDITURES

EXPENSES AND OTHER FINANCING USES	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget
Tax Increment District #3	\$ 735,575	\$ 672,040	\$ 605,226	\$ 605,226	\$ 548,792
Sanitation & Recycling	3,544,536	3,214,271	3,406,919	3,393,310	3,346,822
Hazardous Materials	101,371	79,983	75,075	150,000	75,075
Police Grants	169,465	157,560	151,434	151,434	38,000
Health Services Grants	184,977	195,212	179,459	198,183	179,619
Housing & Community Development Grants	1,278,045	1,269,445	1,473,213	1,474,607	1,509,784
Room Tax Administration	425,349	509,442	420,000	910,000	933,275
Union Spring Park	-	-	2,521	1,300	-
Tuchscherer Disability Fund	6,391	6,391	6,391	6,391	6,391
Balliet Locomotive	-	-	11,560	11,587	-
Lutz Park Trust	-	53,150	-	-	-
Park Open Space	-	-	-	-	300,000
Universal Playground Trust	5,300	1,933	-	360	-
Miracle League Field	1,665	-	-	-	-
Wheel Tax	-	1,275,331	1,512,400	1,512,400	1,355,000
Total Special Revenue Funds	\$ 6,452,674	\$ 7,434,758	\$ 7,844,198	\$ 8,414,798	\$ 8,292,758

CAPITAL PROJECTS FUNDS

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

Table 15: CAPITAL PROJECTS FUNDS EXPENDITURES

EXPENSES AND OTHER FINANCING USES	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget
Subdivision Development	\$ 1,452,788	\$ 1,987,515	\$ 1,277,698	\$ 1,313,191	\$ 850,680
Tax Increment District #5	40,643	773,578	-	-	-
Tax Increment District #6	2,688,770	2,506,022	3,600,443	4,277,150	5,248,768
Tax Increment District #7	262,592	308,596	313,575	307,889	408,050
Tax Increment District #8	798,114	285,966	372,069	369,379	817,626
Tax Increment District #9	128,494	8,325	86,221	86,221	35,750
Tax Increment District #10	1,644	1,659	2,050	2,050	1,750
Information Technology	166,710	340,734	3,135,000	3,198,198	452,000
Public Works	1,758,118	2,416,739	4,522,978	4,866,217	4,389,787
Industrial Park Land	14,022	48,560	237,623	937,200	257,728
Equipment Replacement	3,008,341	3,205,733	2,375,996	2,382,637	2,400,205
Community Development Projects	490,438	2,414,834	1,215,000	167,000	1,000,000
Exhibition Center Capital Project	-	-	-	6,925,000	25,000,000
Public Safety	340,986	210,365	196,806	196,806	822,831
Facilities	2,187,478	2,274,114	13,373,353	13,823,871	8,342,390
Total Capital Projects Funds	\$ 13,339,138	\$ 16,782,740	\$ 30,708,812	\$ 38,852,809	\$ 50,027,565

**CITY OF APPLETON – 2017 BUDGET
EXECUTIVE SUMMARY**

ENTERPRISE FUNDS

Enterprise funds are used to account for activities that are financed and operated in a manner similar to that found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities provided to outside parties are accounted for in enterprise funds. Under the direction of the Utilities Department, the Water Utility provides clean, safe drinking water and the Wastewater Utility treats waste water prior to its release back to the Fox River. The Public Works Department is responsible for maintaining and improving the network of water mains and sanitary and storm sewer lines and for operation of the Parking Utility. The Parks, Recreation, and Facilities Department operates the Reid Municipal Golf Course, contributing to recreation opportunities in Appleton both in its own right as a golfing venue and as a site for various activities coordinated by the Parks and Recreation Department. Valley Transit provides fixed-route bus service and various specialized paratransit services throughout the Fox Valley.

Table 16: ENTERPRISE FUNDS

EXPENSES AND OTHER FINANCING USES	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget
Water Utility	\$ 17,093,657	\$ 17,882,261	\$ 19,939,680	\$ 18,976,906	\$ 19,082,994
Wastewater Utility	10,469,632	11,228,141	10,724,467	10,688,507	11,218,809
Stormwater Utility	7,201,987	7,526,291	7,399,508	7,399,694	7,447,733
Parking Utility	2,974,018	3,171,518	3,288,607	3,407,588	3,259,014
Golf Course	574,689	788,696	810,613	812,641	835,764
Valley Transit	9,356,383	9,109,633	9,536,857	9,536,857	9,790,423
Total Enterprise Funds	\$ 47,670,366	\$ 49,706,540	\$ 51,699,732	\$ 50,822,193	\$ 51,634,737

INTERNAL SERVICE FUNDS

Internal Service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or other governments, on a cost reimbursement basis. The Facilities & Construction Management Department has broad responsibility for the maintenance of all City properties, both buildings and grounds, while the Central Equipment Agency maintains all City-owned vehicles and heavy equipment. The Risk Management and Other Post Employment Benefits funds account for insurance costs other than employee health insurance and retired employees' participation in City-provided health insurance pools, respectively

Table 17: INTERNAL SERVICE FUNDS EXPENDITURES

EXPENSES AND OTHER FINANCING USES	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget
Facilities & Construction Management	\$ 2,510,801	\$ 2,621,010	\$ 2,706,656	\$ 2,649,916	\$ 2,745,028
Central Equipment Agency	5,456,587	5,148,924	5,464,526	5,354,526	5,477,844
Risk Management	6,606,112	2,296,557	1,659,369	2,215,369	2,050,938
Other Post Employment Benefits	108,230	390,423	179,000	190,607	148,137
Total Internal Service Funds	\$ 14,681,730	\$ 10,456,914	\$ 10,009,551	\$ 10,410,418	\$ 10,421,947

PERMANENT FUNDS

Permanent funds are used to account for resources held by the City to generate income in support of a particular purpose. The Frank Young Memorial was established by donations to provide scholarships to students in Library Sciences and is now managed by the Community Foundation.

Table 18: PERMANENT FUND EXPENDITURES

EXPENSES AND OTHER FINANCING USES	2014 Actual	2015 Actual	2016 Budget	2016 Projected	2017 Budget
Frank P. Young Memorial	\$ 34,806	-	-	-	-