

# City of Appleton, Wisconsin



## 2007 ADOPTED BUDGET AND SERVICE PLAN

### EXECUTIVE SUMMARY

Developed by:  
Mayor Timothy M. Hanna

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

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



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

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

December 18, 2006

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

Dear Appletonians:

I present to you the 2007 Budget and Service Plan, including the five-year Capital Improvement Plan. Total expenditures for the 2007 Budget are \$135,336,755. As in the past, this budget was developed within the parameters set by our City of Appleton fund balance policies and tax levy ordinance, as well as the State's Expenditure Restraint Program. Again this year we have the added consideration of a state-imposed tax levy limit.

Our own tax levy ordinance first limits the growth in our tax levy to a factor of inflation plus the growth of our tax base due to net new construction. Secondly, our ordinance makes adjustments for revenues that increase greater than inflation along with any new revenues and services transferred to user fee funding from tax levy funding. The State's levy limit rules limit the increase in the tax levy to the greater of net new construction growth (2.457% in 2005) or 2%. These two limits on our tax levy take differing perspectives that, when considered together, give our citizens and businesses assurances that the City continues to strive to be more cost effective while still providing quality services.

In 2007, there will be very little change in the amount of money the City receives from the State of Wisconsin in the form of shared revenues, expenditure restraint or transportation aids. Again in 2007, we are looking at increased costs in the areas of personnel and utilities. The volatile cost of fuel is also a factor that cannot be ignored. The increased costs in the area of personnel are predictable due to the settlement of our labor contracts. Health care trend cost increases have slowed since the change in our health plan administration that took place in 2006 including administrative increases for our self insured plan, which were contained to just 3% for the 2007 Budget.

It remains difficult to predict the cost of gasoline, electricity and natural gas with any certainty eighteen months into the future. Gasoline and diesel fuel have been budgeted at \$2.53 and \$2.64 per gallon (the City does not pay federal gas tax and purchases in bulk), up from \$2.39 and \$2.36 in 2006. We have included a 14% increase over actual 2005 expense for electricity and a 5% increase over the most recent twelve month actual expense for natural gas. The 2006 Budget included contingencies for both fuel and utilities. As of this date, I anticipate requesting that any remaining balance in those contingency funds be carried over after year-end to mitigate any exposure we may have due to market volatility in 2007.

Another major factor having a positive effect on the 2007 Budget is the performance of our Tax Incremental Financing (TIF) districts. The combined growth in equalized values in our six TIF districts was \$48,743,400 or 16.8%. TIF District One is able to pay back deferred interest on the advances it received from the General Fund in its early years of existence. This accounts for interest revenue of \$1,943,898 compared to \$1,778,397 in 2006. After 2007, the district will close, bringing an estimated \$80,137,700 of property value back onto the tax rolls, which will help stabilize the tax rates beyond the state levy restraint program.

The major change in the 2007 Budget is the creation of the Facilities and Construction Management Department (Facilities/Construction Department) and the dissolution of Central Building Maintenance (CBM). The current replacement value of the facility assets for the City of Appleton is \$225,466,944. In addition, it must be realized that facilities are much more than just a place to house employees and processes; they also impact the productivity, image, safety and security of the organization.

Up until this time, department directors have been responsible for their own facility management services. By creating the position of Director of Facilities and Construction Management, the City took the first step in protecting its real estate assets. The creation of the Facilities/Construction Department is the next step in allocating the necessary resources to extend the useful life of our existing facilities, increase the quality of services and provide an organized plan to address future City facilities needs.

During 2006, the Director of Facilities and Construction Management performed a facilities management/maintenance evaluation that reviewed the current status of facilities management, including maintenance, staffing, budgets, technology and facilities master planning. This evaluation identified the need for a successful Facilities Management Program.

The evaluation also determined that a significant number of routine and preventive work orders concerning our facilities were not being completed. This lack of maintenance can result in a decrease of actual value, additional maintenance, and can sometimes turn into a renovation at a later date that could have been avoided by proactive, routine maintenance.

This new Facilities/Construction Department will serve all departments to extend the useful life of existing City facilities. The department will balance its workload with a conservative combination of in-house and contracted labor, and provide oversight of 40 facilities at 18 sites with total square footage of more than 750,000 square feet.

This budget consolidates facilities management expenses, such as maintenance, janitorial and utilities costs, within the new Facilities/Construction Department. Under the previous CBM model, there were 13 full-time equivalent (FTE) positions (including the Director of Facilities and Construction). These positions were realigned to reflect the work that is currently performed by those positions, including assigning four FTEs to Wastewater and three FTEs to Water Filtration, leaving five positions assigned to the new Facilities/Construction Department. The 2007 Budget also reflects an overall increase of two FTEs directly related to the facilities management function. See the Personnel section following for more information.

In order to adequately staff and fund this new Facilities/Construction Department in 2007, this budget reflects an increase in the facilities management function of \$568,842. Although the City is under strict levy limits and cost controls, it became apparent that the lack of attention to preventive and routine maintenance of our facilities could not be ignored. We have a significant investment in these assets and the responsible action to take for our taxpayers is to address the backlog of maintenance issues and proactively address maintenance concerns for the future.

I'd like to take this opportunity to thank all of our department heads and their staff for their hard 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 Accounting Manager Kelli Rindt, Budget Manager John Hoft-March, Deputy Director Tony Saucerman, and Director Lisa Maertz of the Finance Department for their tireless efforts in preparing this document. The financial condition of our city remains excellent in large part due to the work of this outstanding staff. They deserve a great deal of credit for the jobs they do on a daily basis on behalf of our community.

## **FISCAL**

- Taxes – Overall, this budget includes an increase in levy-related expenditures of 2.05% that is only partially offset by small increases in interest revenue, resulting in a tax levy increase of 2.97% as allowed by limit to balance the budget. As a reminder, the Assessor's Office completed a citywide residential property revaluation in 2006. This revaluation was needed to assure equity across all residential properties. The revaluation has resulted in assessed values being 101% of equalized values in the city of Appleton. Therefore, the increase in the levy, coupled with the real growth of the City's tax base, as well as the revaluation, results in an equalized tax rate of \$7.7933 per thousand, down from \$7.8317 or a 0.49% decrease.

- Debt and Fund Balances – 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. In 2006, we maintained the City’s outstanding bond ratings. These ratings enable the City to borrow funds at very low interest rates, which in turn, saves our taxpayers and ratepayers significant dollars.
- Revenues – The 2007 Budget includes a nominal fee increase of \$5.00 charged to non-Appleton residents for Parks and Recreation programs. The current fee structure has been in place for over ten years. We are also exploring sponsorship options for individual programs such as Movies on the Hill providing expected revenue in the amount of \$10,000.

### **ECONOMIC DEVELOPMENT**

Development related projects in this budget include:

- Industrial and Business Park Development – This budget includes only a small amount of funding (\$116,839) as Phase I, II and III of the Southpoint Commerce Park will be completed at the end of 2006, resulting in 31 lots available for sale (one sold in 2005). The 2009 and 2011 Budgets provide funding for Phases IV and V.
- Riverfront Initiatives – This budget includes funds to reacquire the We Energies site (\$107,000), demolish the old water treatment plant (\$500,000), related engineering services (\$120,000) and the trail development between Vulcan Heritage Park and Lutz Park (\$750,000).

### **UTILITIES**

- Water – The focus in 2007 will be to continue to optimize the water treatment facility to meet the water requirements of its customers providing safe, potable, cost-effective, high quality water. \$1,019,000 of operating and capital funds are dedicated for membrane enhancement/expansion options that will begin to address capacity issues experienced. We continue to work with our legal counsel to find resolutions in the most cost effective manner. The water rate study started in late 2005 is anticipated to be finalized in late 2006, allowing the utility to issue revenue bonds at parity to finance the necessary capital needs.
- Wastewater – The utility continues to provide both short-term and long-term facility planning and management to address community growth and the challenges presented with treating the lime wastes that increase our biosolids production volumes beyond current storage capacity. This budget contains \$1.3 million in capital funding for bar screen # 3 replacement, a vital step in removing large solids and debris from the wastestream.
- Stormwater – This budget provides funding to continue our efforts in the ever-increasing management of stormwater in the city to fulfill the obligations required by Natural Resources Regulations 151 and 216 and to control flooding. Major projects include storm sewer reconstruction in the Peabody Park area to address flooding and the Memorial Park northeast pond construction that contributes towards the City-wide stormwater management plan. The rate increase implemented in 2006 is expected to cover the requirements of the stormwater infrastructure program through 2009.

### **PERSONNEL**

As I mentioned earlier, this 2007 Budget includes a net increase of 2.0 FTE directly related to the creation of the Facilities/Construction Department. The total net increase in this 2007 Budget is 3.0 FTE, although it is important to note that some positions are not funded until midyear. Careful consideration was given in each department to the appropriate staff needed to carry out services and programs. In many cases positions were eliminated and replaced with other positions to more efficiently perform the tasks necessary. As part of our normal course of business most of these evaluations occurred as positions became vacant.

Other personnel changes are as follows:

- Police – moves the Intercultural Relations Coordinator position at the Police Department to the Mayor's Office to make intercultural support more generally available to all departments and adds three sworn Officers, to be filled approximately mid-year.
- Fire – eliminates the currently vacant Fire Mechanic position.
- Valley Transit – eliminates a vacant part-time Communications Technician position.
- Library – eliminates a full-time Bindery Clerk and replaces it with a part-time Bindery Clerk and a part-time Library Assistant, plus some additional part time hours, equal to approximately .1 FTE, in Circulation.
- Finance – eliminates the .3 FTE of the Grants Administrator position that was allocated to general accounting responsibilities, leaving the position as a .7 FTE position fully funded by grants.
- Reid Municipal Golf Course – transfers an 8-month Park Caretaker position to the Parks and Recreation budget, replacing it with 1,000 hours of part-time summer help. This transfer will help offset the reduction in overtime and seasonal staff at the Parks and Recreation Department while providing landscaping services to the Facilities/Construction Department.

### **CAPITAL IMPROVEMENT PROGRAM**

Highlights of the remainder of the 2007 CIP are as follows:

- Parking Utility structural repairs for highest priority needs in the parking ramps based on the consultant's evaluation report and to replace four handheld parking ticket writer units (\$110,000).
- Facilities improvements include roof replacements at Valley Transit (\$400,000), the final area (3 and 5) of the V Building at Wastewater (\$120,000) and air conditioning replacement at the Library (\$212,000).
- Technology upgrades and enhancements include replacement of the AS400 (\$216,000), AutoCad upgrade used by DPW engineers as well as other City departments as the current version will no longer be supported (\$70,500), data backup and recovery enhancements (\$84,000) and e-mail archive, remote access and wireless access projects/enhancements that will result in increased labor efficiency (\$135,000).
- Providence Trail completion (\$65,000).
- Lutz Park shoreline stabilization and boat launch work (\$420,000). The City also received a grant from the State of Wisconsin in the amount of \$285,015 towards this project.
- Police Station design for the remodeling project with construction to take place in 2008-2009 over a sixteen month period (\$1,170,269 for 2007). Total project cost is currently capped at \$11,812,500 with a maximum of 65,000 square feet per recommendation of the Capital Facilities Committee; however, final Council approval is pending.
- Bridge Improvements continue for Lawe Street over the navigation canal that was started in 2005 (\$100,000). It is critical construction to be completed prior to the College Avenue Bridge being closed for replacement.
- Park improvements for Vosters Park (\$75,000), Derks Park (\$40,000), the final phase of improvements at Linwood Park (\$50,000), playground equipment (\$70,000), and funding for athletic field renovations including upgrade of lighting and electrical systems, scoreboards and spectator seating at Appleton Memorial Park (\$530,000).
- Other public safety investments include funding to plan appropriately for future fire station needs while also considering the needs of the regional community (\$300,000), the first phase of portable radio replacement (\$100,000) and GPS/GIS to enhance emergency dispatch (\$30,000).

## **CONCLUSION**

The City of Appleton is in sound financial condition as evidenced by our continued strong general purpose and revenue bond ratings, as well as our adherence to all external and internal financial policies. I believe this 2007 Budget balances the needs of the City in a fiscally responsible manner and effectively positions our community for the future.

Sincerely,

TIMOTHY M. HANNA  
Mayor of Appleton



## CITY OF APPLETON – 2007 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.

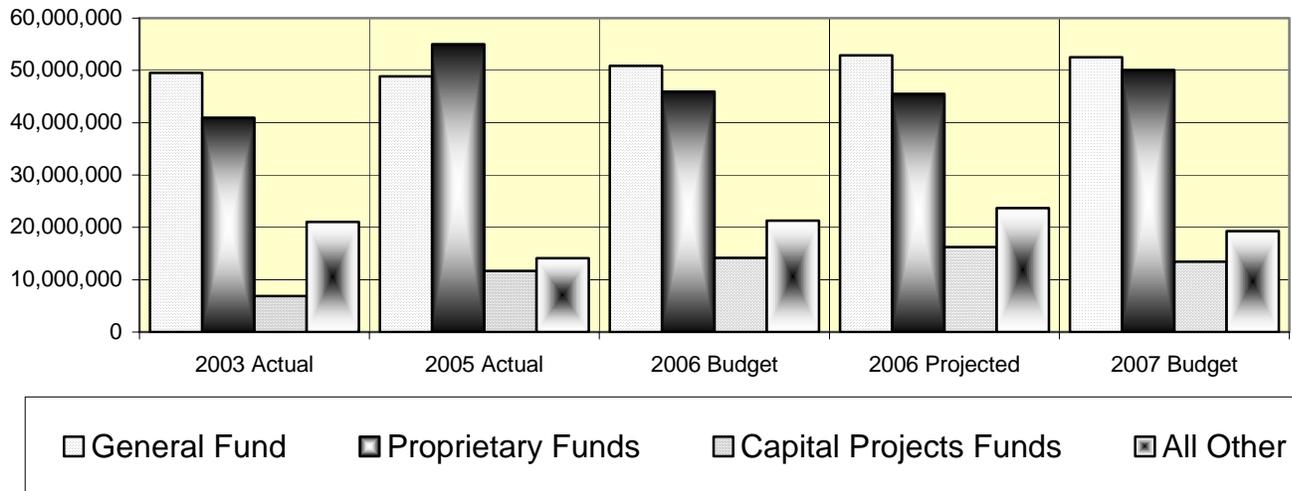
**Table 1: TOTAL EXPENSES - ALL FUNDS <sup>1</sup>**

<b>Funds</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Budget</b>	<b>2006 Projected</b>	<b>2007 Budget</b>
General Fund	\$ 49,539,366	\$ 48,886,842	\$ 50,873,006	\$ 52,898,256	\$ 52,525,434
Debt Service Funds	8,036,970	7,794,913	9,063,609	11,408,609	8,828,037
Special Revenue Funds	13,021,189	6,311,536	12,209,621	12,286,285	10,455,617
Capital Projects Funds	6,892,813	11,687,844	14,201,490	16,228,905	13,438,023
Proprietary Funds	40,971,675	55,001,177	45,915,598	45,514,422	50,088,844
Permanent Funds	1,200	500	800	1,000	800
<b>Total - All Funds</b>	<b>\$ 118,463,213</b>	<b>\$ 129,682,812</b>	<b>\$ 132,264,124</b>	<b>\$ 138,337,477</b>	<b>\$ 135,336,755</b>

<sup>1</sup> Proprietary funds are shown net of capital investments, which are capitalized and depreciated

<sup>2</sup> Proprietary funds include the Facilities and Construction Management Fund, established in 2007 as an internal service fund. Please see the discussion of this fund on page 7.

**Fig. 1: COMBINED SUMMARY OF EXPENSES**



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

## CITY OF APPLETON – 2007 BUDGET EXECUTIVE SUMMARY

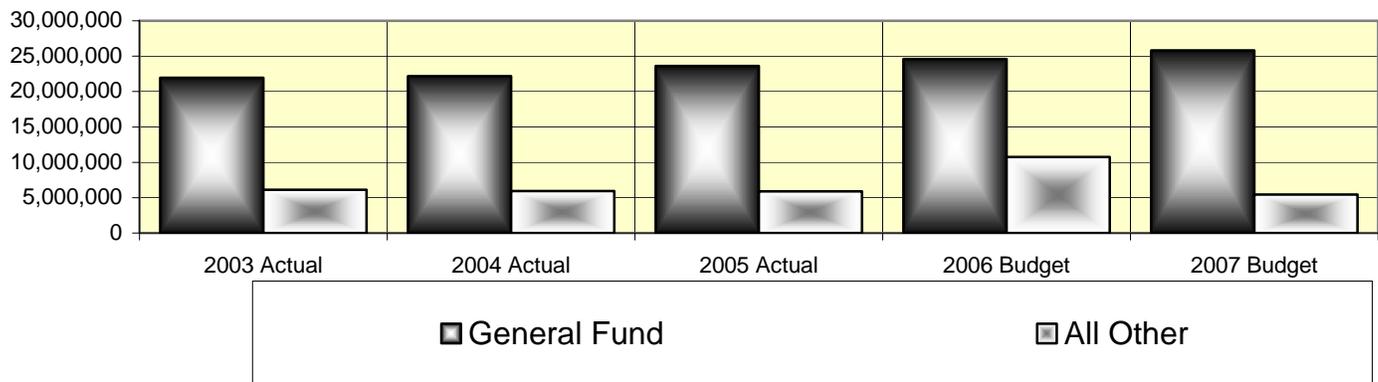
### PROPERTY TAXES

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**

<b>Funds</b>	<b>2003 Actual</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Projected</b>	<b>2007 Budget</b>
General Fund	21,952,494	22,174,113	23,626,615	24,625,020	25,839,080
Debt Service Funds	2,922,956	2,917,334	2,903,025	2,897,879	2,953,457
Special Revenue Funds	2,721,342	2,573,944	2,637,436	2,536,257	2,467,850
Capital Projects Funds	460,370	446,371	365,731	300,000	-
<b>Total - All Funds</b>	<b>\$ 28,057,162</b>	<b>\$ 28,111,762</b>	<b>\$ 29,532,807</b>	<b>\$ 30,359,156</b>	<b>\$ 31,260,387</b>

**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 2006 property tax levy (payable in 2007), approximately 32.6% was levied for various City operations as illustrated in Table 3 and in Figure 3 following. Another 33.8% was levied by the Appleton, Menasha, Kimberly and Freedom school districts, 18% by Outagamie, Calumet, and Winnebago counties, 7% by Fox Valley Technical College, and .8% by the State of Wisconsin. The remaining 7.8% 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.

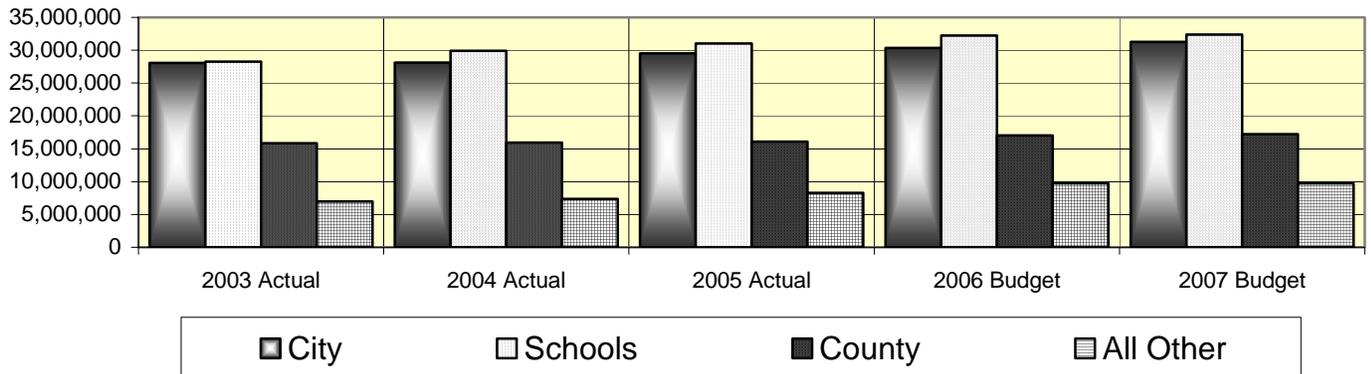
## CITY OF APPLETON – 2007 BUDGET EXECUTIVE SUMMARY

**Table 3: CERTIFIED APPORTIONMENT OF PROPERTY TAXES**

Apportionment	2003 Actual	2004 Actual	2005 Actual	2006 Budget	2007 Budget
City	28,057,162	28,111,450	29,532,807	30,359,156	31,260,387
WCTS	6,176,522	6,183,265	6,310,163	6,588,696	6,721,675
Schools	28,249,470	29,904,077	31,036,260	32,218,451	32,395,678
State	696,839	728,084	767,301	781,907	763,941
County	15,834,707	15,942,915	16,118,113	17,024,491	17,217,035
TIF Districts	4,557,093	4,771,889	5,376,832	6,484,731	7,485,407
<b>Total - All Portions</b>	<b>\$ 83,571,793</b>	<b>\$ 85,641,680</b>	<b>\$ 89,141,476</b>	<b>\$ 93,457,432</b>	<b>\$ 95,844,123</b>
Less State Credits	4,462,806	4,301,871	4,168,183	4,100,024	5,206,059
<b>Net Tax Levy</b>	<b>\$ 79,108,987</b>	<b>\$ 81,339,809</b>	<b>\$ 84,973,293</b>	<b>\$ 89,357,408</b>	<b>\$ 90,638,064</b>

\* Not available

**Fig. 3: CERTIFIED APPORTIONMENT OF PROPERTY TAXES**



### TAX LEVY

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

Tax Levy	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Budget
City	8.5695	8.3167	8.5035	8.4351	7.6845
WCTS	1.8900	1.8293	1.8169	1.8306	1.6523
Schools	8.6308	8.8317	8.9156	8.9402	7.9467
State	0.2016	0.2034	0.2109	0.2021	0.1732
County	4.8479	4.7183	4.7299	4.7410	4.2482
<b>Gross Tax Levy</b>	<b>\$ 24.1398</b>	<b>\$ 23.8994</b>	<b>\$ 24.1768</b>	<b>\$ 24.1490</b>	<b>\$ 21.7049</b>

\* Not available

Outagamie County/Appleton Area School District only.

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

The assessed values are used to determine how much of the community's total levy is paid by each property owner. For example, a person who owns 1% of a community's assessed value will pay 1% of the taxes. 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 – 2007 BUDGET  
EXECUTIVE SUMMARY**

If the total property remains stable, increases in the levy will result in increased assessed rates. Appleton has had an 8.04% increase in net new construction from 2003 to 2007, while the tax levy has increased by 10.85%.

**Table 5: TOTAL FULL TIME EQUIVALENT EMPLOYEES**

DEPARTMENT	2004	2005	2006	2007
Assessor's Office	7.00	7.00	7.00	7.00
Attorney's Office	4.00	3.67	3.67	3.67
City Clerk's Office	5.00	5.00	5.00	5.00
Finance Department	9.75	9.75	9.87	9.85
Fire Department	102.00	102.00	102.00	101.00
Health Department	13.70	13.50	13.00	12.80
Health Grants	2.85	4.05	4.55	4.604
Technology Services	15.40	15.40	15.40	15.40
Library	46.00	46.00	45.50	45.50
Mayor's Office	2.00	3.00	3.00	3.00
Facilities Management	-	-	-	8.00
Parks & Recreation	33.87	34.00	34.00	34.67
Reid Golf Course	3.30	2.67	2.67	2.05
Human Resources	5.95	5.95	5.95	5.95
Risk Management	2.65	2.98	2.98	2.98
Community Development	9.00	9.00	8.00	8.00
Housing & Community Devel.	2.50	2.50	2.68	2.65
Police Department	135.00	134.00	133.00	135.00
Public Works	57.19	58.39	59.80	58.57
Sanitation	23.33	26.29	22.69	22.69
CEA	14.50	14.85	14.11	14.11
Parking	11.60	11.60	11.47	11.47
Capital (TIF, Subdivision, etc.)	8.10	4.15	4.03	4.26
Stormwater Utility	14.02	14.02	16.12	17.52
Water Utility	39.50	38.69	38.27	36.92
Wastewater Utility	34.52	34.27	32.47	28.07
Valley Transit	55.50	55.30	54.80	54.30
<b>Total Regular Employees</b>	<b>658.22</b>	<b>658.03</b>	<b>652.03</b>	<b>655.02</b>

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 2007 are the elimination of a .5 FTE Communications Technician position at Valley Transit, a Mechanic position at Fire, and .2 FTE Clerical Support in Health, and the addition of 2 maintenance positions in Facilities and Construction Management and 3 Police Officers.

**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.

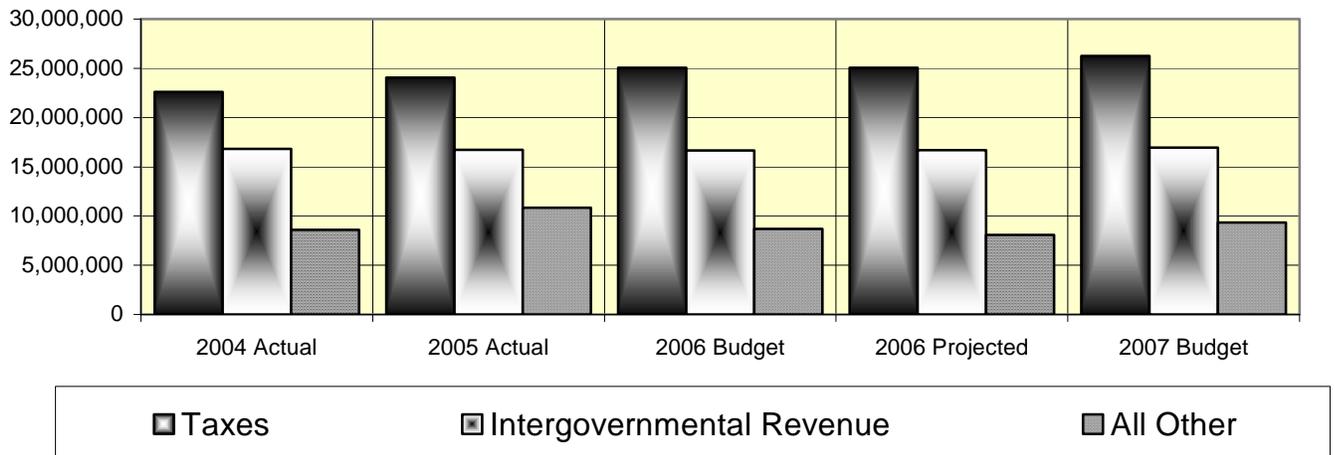
## CITY OF APPLETON – 2007 BUDGET EXECUTIVE SUMMARY

**Table 6: GENERAL FUND SOURCES OF REVENUE**

Source	2004 Actual	2005 Actual	2006 Budget	2006 Projected	2007 Budget
Taxes	22,596,576	24,069,302	25,073,820	25,073,820	26,247,880
Intergovernmental Revenue	16,837,389	16,720,451	16,658,039	16,684,833	16,947,529
Licenses and Permits	855,231	921,707	829,842	829,842	823,368
Special Assessments	1,295,953	995,134	1,280,000	975,000	1,207,000
Fines and Forfeitures	281,958	251,401	300,000	250,000	300,000
Interest Income	2,207,637	2,608,647	2,810,397	2,710,397	3,275,898
Charges for Services	1,434,721	1,194,513	1,320,880	1,125,000	1,332,122
Other Revenue	1,205,829	1,449,264	818,439	865,339	949,187
<b>Total General Fund</b>	<b>46,715,294</b>	<b>48,210,419</b>	<b>49,091,417</b>	<b>48,514,231</b>	<b>51,082,984</b>
Other Financing Sources	1,307,456	3,441,256	1,332,535	1,332,535	1,442,450
<b>Total Revenue &amp; Other</b>	<b>48,022,750</b>	<b>51,651,675</b>	<b>50,423,952</b>	<b>49,846,766</b>	<b>52,525,434</b>

The largest single source of funding for General Fund operations is the property tax, which will provide \$25,839,080 or approximately 49% of revenues in 2007. The next largest is intergovernmental transfers, of which \$12,849,180 is from the State government under the State Shared Revenue and Expenditure Restraint programs. These two programs combined are down \$1,180,436, a decline of 8.4% from 2003, when State Shared Revenue was reduced, but have remained stagnant since then. Overall, Intergovernmental Revenue, which also includes State aids for street reconstruction, accounts for approximately 32% of revenues (down from 39% in 2003). The remaining 19% 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.

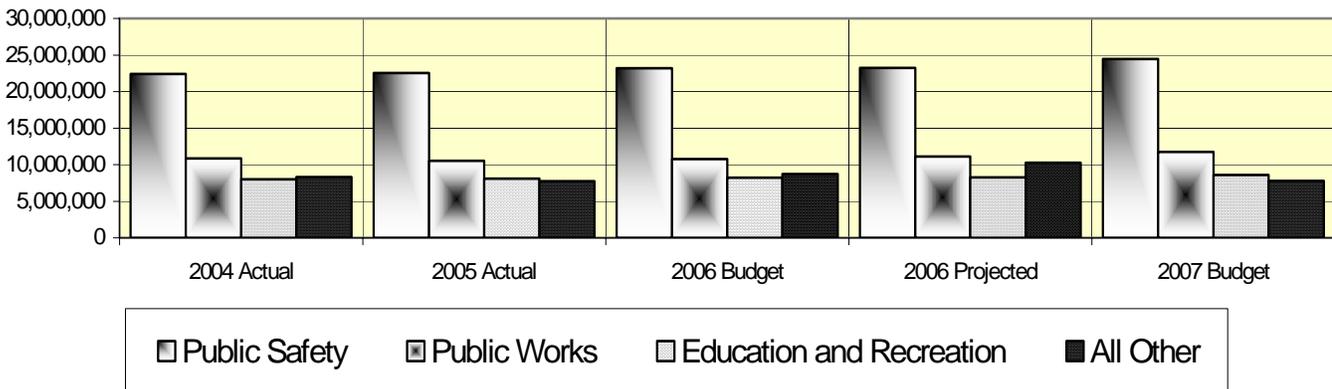
## CITY OF APPLETON – 2007 BUDGET EXECUTIVE SUMMARY

**Table 7: GENERAL FUND EXPENDITURES**

Expenditures	2004 Actual	2005 Actual	2006 Budget	2006 Projected	2007 Budget
General Government	5,909,616	6,416,260	7,366,935	8,245,072	6,396,642
Community Development	753,561	749,751	735,069	735,069	774,210
Education and Recreation	8,012,152	8,093,497	8,218,857	8,264,557	8,561,874
Public Works	10,825,971	10,528,490	10,767,740	11,111,449	11,722,163
Public Safety	22,378,834	22,539,409	23,182,923	23,241,823	24,454,719
<b>Total Expenditures</b>	<b>47,880,134</b>	<b>48,327,407</b>	<b>50,271,524</b>	<b>51,597,970</b>	<b>51,909,608</b>
Other Financing Uses	1,659,232	559,435	601,482	1,300,286	615,826
<b>Total Expenditures &amp; Other</b>	<b>49,539,366</b>	<b>48,886,842</b>	<b>50,873,006</b>	<b>52,898,256</b>	<b>52,525,434</b>

The largest single expenditure for the General Fund is for public safety, which in 2007 accounts for approximately 47% 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 22%) is spent on public works, which includes street and sidewalk repair and reconstruction, traffic administration, street lighting, and snow removal. General Government and Education and Recreation expenditures account for approximately 12% and 16% of General Fund expenditures, respectively.

**Fig. 5: GENERAL FUND EXPENDITURES**



### **GENERAL GOVERNMENT**

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

	2004 Actual	2005 Actual	2006 Budget	2006 Projected	2007 Budget
<b>The Common Council</b>	127,982	121,656	126,310	126,310	126,015

### **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.

	2004 Actual	2005 Actual	2006 Budget	2006 Projected	2007 Budget
<b>The Mayor's Office</b>	223,439	244,695	318,413	318,413	287,221
<b>Facilities Management &amp; Construction</b>	0	0	0	0	2,109,543

# CITY OF APPLETON – 2007 BUDGET EXECUTIVE SUMMARY

## **The Mayor's Office**

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

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

The position of Construction Manager was added to the 2005 Budget in the Mayor's Office (General Fund) by Council directive to oversee various City building construction projects. The position was analyzed and defined during 2005 and filled late in the year as the Director of Facilities and Construction, with broad responsibility for all aspects of facility management. This change in scope led to the establishment of an internal service fund charged with centralized facility maintenance and construction oversight. The 2007 budget reflects the transfer of salaries and fringe benefits (budgeted at \$106,857 in 2006) for the Director of Facilities and Construction position to the new Facilities & Construction Management Department (60%), and an allocation (40%) for construction management to the Police Facility Expansion CIP. It also reflects the move of the Intercultural Relations Coordinator position (\$67,590) from the Police budget to reflect the City-wide utilization of the services this position provides.

## **Facilities Management & Construction**

Prior to 2003, various aspects of facilities and equipment maintenance were coordinated by staff of the Central Building Maintenance (CBM) department, which was under the overall supervision of the Director of Utilities. With the 2004 budget and the changes required under Governmental Accounting Standards Board statement 34 (GASB 34), CBM staff were absorbed by the Water and Wastewater Utilities for which they did the majority of their work and CBM was dissolved as a separate entity. The position of Construction Manager was added to the 2005 budget in the Mayor's Office (General Fund) by Council directive to oversee various City building construction projects. The position was analyzed and defined during 2005 and filled late in the year as the Director of Facilities and Construction, with broad responsibility for all aspects of facility management City wide. This change in scope 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 the individual departments have been consolidated within this budget, including maintenance, janitorial, lease, utilities and staffing expenses. In addition, a fire maintenance position has been transferred to the Facilities Management budget and part-time salaries in the Library budget have been reduced equal to 1.165 FTE. The department will balance its workload with a conservative combination of in-house and contracted labor. Initially, the department will be located at the Wastewater Plant, with the long-term goal of locating to a more centralized location.

During 2007, Facilities and Construction Management will serve as the owner's representative and provide oversight of the Police Station renovation/construction project and will develop a proactive Facilities Management Department with the staffing and resources that will preserve and extend the useful life of the facilities and meet all regulatory compliance. Major initiatives include developing preventive maintenance plans, facility documentation, roof database, energy initiatives and deferred maintenance plans.

Upon an assessment of the facilities, there is a significant amount of deferred maintenance that must be addressed. Two areas needing immediate attention include a significant amount of HVAC and roofing maintenance. In addition to the corrective HVAC maintenance, the Department will begin to upgrade some of the outdated controls, which will allow us to operate the equipment in a proactive manner, schedule on and off times and monitor performance in order to ensure maximum efficiency, comfort, energy and maintenance savings. This process will be a multi-year initiative. In addition to HVAC and roofing, the Department will work on reducing the amount of deferred maintenance throughout the facilities.

**CITY OF APPLETON – 2007 BUDGET  
EXECUTIVE SUMMARY**

	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Budget</b>	<b>2006 Projected</b>	<b>2007 Budget</b>
<b>City Clerk</b>	729,131	593,226	604,962	631,642	595,610

**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 2007, there will be two elections. The mandate of HAVA (Help America Vote Act) approved election equipment and the purchase of new tabulation equipment results in another change in the manner in which we coordinate ballot preparation and coding of the equipment. Outagamie County has chosen to use a different vendor. The City of Appleton will again be the originator of ballot preparation and coding, resulting in payment to the vendor for these services. This function had been taken over by the County Clerk in 2006. Because we now have two pieces of equipment to code, the costs (i.e. printing, office supplies, advertising) will increase proportionately. \$9,010 has also been added for hardware and software maintenance of the new equipment. No maintenance of the old equipment was budgeted in 2006 due to its planned replacement.

	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Budget</b>	<b>2006 Projected</b>	<b>2007 Budget</b>
<b>City Assessor</b>	476,214	490,576	499,863	499,863	528,594

**City Assessor**

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

Our office completed a revaluation of all residential property for 2006. This included the review of over 23,000 homes completed by City staff with no additional resources. This year’s revaluation added \$412.5 million to the assessment roll. Overall, the 2006 locally assessed value increased \$514.2 million, an increase of 14.2% from 2005. This included: \$169,000 in annexations; \$96.6 million in new construction; \$8.7 million that was formerly tax exempt (including \$2.7 million of land in the NE Business Park, \$4 million of land adjacent to Guardian Insurance, and \$1 million of Valley Packaging’s older facilities); and \$412.5 million in residential revaluations. These increases were offset partially by \$474,000 of property detached from the city; \$293,000 of razings; and \$3 million in property that became tax-exempt (including \$1.4 million of Valley Packaging’s newer facilities, \$572,000 for The Fox Cities Childrens’ Museum, and \$251,000 of Housing Authority properties).

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.

## CITY OF APPLETON – 2007 BUDGET EXECUTIVE SUMMARY

In 2007, we will review the Central Business District (CBD). It was last reviewed in 2003. We continue to reassess all property every 4 years to keep assessments near 100% of market value as required by state statutes, to provide for small increases, and to maintain equity. Residential property was reviewed in 2006, commercial parcels (outside the CBD) were reviewed in 2005, and apartments were reviewed in 2004 completing the cycle.

	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Budget</b>	<b>2006 Projected</b>	<b>2007 Budget</b>
<b>Finance Department</b>	818,700	854,075	866,104	873,604	898,683
<b>Unclassified City Hall</b>	2,538,270	1,973,661	2,865,043	4,405,304	1,754,701
<b>Room Tax Administration</b>	239,343	258,544	200,000	200,000	260,000
<b>City Center Capital Projects</b>	0	0	213,336	213,336	27,100

### **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

This budget includes a net increase in personnel expense of \$9,760 as a result of restructuring the table of organization during 2006 to add the Enterprise Accounting Manager position (moved from Utilities and re-defined). Since the majority this position's time is allocated to the Utilities, along with other reallocations of time within the department, it results in only a 0.28 FTE increase in staffing. This increase is offset by the elimination of the 30% of the Grant Administrator position (\$23,736) that had been charged to the General Fund. The remaining 70% of this position, currently vacant, is charged to various grants.

A major goal for 2007 is the integration of electronic payment options for City services other than the automatic funds transfer option, which already exists for water, sewer, and stormwater charges. A system to accept credit card payments of property tax bills is in place, with some significant improvements expected to be completed by December 2006.

Due to budgetary constraints, \$1,000 for application fees to the Government Finance Officers Association (GFOA) awards program for both the annual budget and the Comprehensive Annual Financial Report have been eliminated from this budget.

### **Unclassified City Hall**

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

## CITY OF APPLETON – 2007 BUDGET EXECUTIVE SUMMARY

Salary adjustments to be covered from the wage reserve consist of General Fund non-represented staff performance adjustments for 2007 and any unforeseen position re-evaluations (estimated at \$190,000). All collective bargaining agreements are settled through 2007, as is the non-represented staff cost of living increase. \$400,000 was carried over from 2005-06 as contingency for the new contract with United Health to administer the City's health plan. At this time, it is expected that funds will be sufficiently available to cover health care costs in 2006 and the 2007 Wage Reserve needs. Therefore, no additional amount is included in the 2007 budget.

### Room Tax Administration

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

### City Center Capital Projects

This fund provides for capital improvements to the City Center facility. Included for 2007 is one project, the replacement of the folder/inserter in the Mail/Copy Center. The types of jobs processed on this equipment include water bills, assessment notices, payroll statements, Parks and Recreation program receipts, Human Resources brochures, and public hearing notices, to name just a sampling of the type of work for which this equipment is used.

	2004 Actual	2005 Actual	2006 Budget	2006 Projected	2007 Budget
<b>Technology Services</b>	1,691,025	1,744,552	1,742,104	1,744,604	1,812,133
<b>Technology Capital Projects</b>	0	174,344	403,750	473,406	505,500

### Technology Services

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

Major efforts for 2007 include the planned replacement of the six year old IBM AS400 computer. This project is budgeted in the Technology Capital Projects Fund described below. An automated data backup system will be a part of this upgrade and will result in a reduction in part-time salaries (\$6,769).

Other major projects planned for 2007 include continued development of the GIS and continued support and development of the entire City computer network.

### Technology Capital Projects

This fund provides for a variety of Technology capital needs. For 2007, this fund will be used to account for replacement of the City's six year old IBM AS400 computer (\$216,000), a major upgrade to the AutoCAD engineering design software program (\$70,500), and replacement of the existing data backup system with an automated system (\$84,000). It will also be used for the following new technology initiatives: implementation of an e-mail archive system to enhance compliance with regulations requiring that all records related email be archived and retrievable for a minimum period of seven years (\$39,000), establishment of remote access into the City's network systems by employees for administrative as well as teleworking purposes (\$46,000), and establishment of a City-wide wireless network (\$50,000), to give City employees working in the field both access to and a means of immediately updating, various electronic records.

	2004 Actual	2005 Actual	2006 Budget	2006 Projected	2007 Budget
<b>Human Resources</b>	543,372	580,127	577,069	577,069	619,517
<b>Risk Management Fund</b>	1,191,258	1,581,763	1,126,043	1,125,318	1,158,888

## CITY OF APPLETON – 2007 BUDGET EXECUTIVE SUMMARY

### Human Resources

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

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

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

This budget includes a reduction in consulting expense (\$2,000) based on a re-evaluation of the positions for which candidates will be submitted for pre-employment psychological examinations.

### 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

The 2007 budget includes the addition of an actuarial study (\$8,320), done every other year and last completed in 2005. It also includes increases in estimates of uninsured losses (\$29,000 in general and \$36,000 in workers' compensation), based on a seven year history of actual losses incurred plus estimates of any needed new reserves for claims still pending. 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. Due to these increased safeguards, we are projecting a decrease in future claims.

The 2007 budget also includes a reduction in insurance premiums from the 2006 budget (\$51,100) resulting from the deletion of vehicle collision coverage and reduction in the package property premiums, partially offset by the addition of a Builders' Risk policy to be in effect during work on the Police Station.

	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Budget</b>	<b>2006 Projected</b>	<b>2007 Budget</b>
<b>City Attorney</b>	420,515	373,127	368,549	368,549	389,994
<b>Tuchscherer Disability Trust</b>	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:

## CITY OF APPLETON – 2007 BUDGET EXECUTIVE SUMMARY

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

As legal advisor to the City, the office of the City Attorney prepares documents and instruments, drafts legislation, renders formal and informal legal opinions, and performs such other services as required by law. A major goal for 2007, in addition to the normal workload of the Attorney's Office, is to complete the renegotiation of the cable franchise with Time Warner Cable and adopt an updated ordinance.

### **Tuchscherer Disability Trust**

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

### **COMMUNITY DEVELOPMENT**

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. Formerly separate departments, Planning and Economic Development functions were merged under a single director in 2005.

	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Budget</b>	<b>2006 Projected</b>	<b>2007 Budget</b>
<b>Community Development</b>	753,561	749,751	735,069	735,069	774,210
<b>Housing and Community Development Grants</b>	1,465,387	1,634,539	1,751,857	1,591,857	1,304,744
<b>Industrial Park Land Fund</b>	432,665	2,500,059	1,053,581	1,129,531	215,430
<b>Riverfront Initiatives</b>	19,069	0	800,000	0	1,100,000
<b>Residential Project</b>	0	221,925	0	1,085,562	0
<b>TIF # 1</b>	504,675	(4,572,896)	381,033	1,398	149,298
<b>TIF # 2</b>	128,154	140,032	152,240	138,238	96,599
<b>TIF # 3</b>	3,850,251	1,940,249	2,706,406	2,028,107	2,657,927
<b>TIF # 4</b>	2,474,980	2,127,868	2,530,859	4,246,835	1,285,255
<b>TIF # 5</b>	286,080	232,935	101,984	101,982	103,484
<b>TIF # 6</b>	1,968,042	3,835,265	3,712,590	4,179,902	2,063,226

### **Community Development Department Planning**

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

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

## **CITY OF APPLETON – 2007 BUDGET EXECUTIVE SUMMARY**

- Provide support for the Design Review Commission

Significant accomplishments for 2006 include the R-1C rezoning of two aldermanic districts. The R1-C designation is a zoning category created by the 2004 Zoning Ordinance that recognizes the development standards that were in place when many of the older areas of the City were developed, thus relieving property owners of a "non-conforming" designation. Also during 2006, an effort was made to simplify the permitting and zoning process, with the elimination of the Master Sign Code section of the Zoning Ordinance and improvements to the Subdivision Code and site plan.

### **Economic Development**

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

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

In 2006, the Neighborhood Revitalization program continued its efforts in the West Town neighborhood. This included improvements in the areas of housing, businesses, Linwood Park, and other special projects. Community Development has also coordinated the City's involvement in the Wire Works project, a \$1,300,000 City investment to convert this former factory into 25 income qualified apartments. This project will have an enormous impact on the near North Lawe Street neighborhood. This investment was not accounted for in this departmental budget but in the Residential Project Capital Projects Fund below.

In the newer areas of the City, the Department has accomplished one major annexation of 350 acres north of Plamann Park and several smaller annexations. The largest part of the newly annexed area will be residential, thus providing for a good inventory of buildable lots. Some of the smaller annexations have been associated with business park properties. In the Northeast Business Park, Americlnn, Orthopedic and Sports Institute of the Fox Valley, and Airgas have opened newly constructed buildings and several other projects are under way. At Southpoint Commerce Park, on the southeast side, Eisenhower Drive has been extended south to Midway Road, phase three of the Park has opened and one new project, Arrow Moving Systems, has opened. Major efforts for 2007 will be to continue the integration of the planning and economic development functions of the department, update one chapter of the VISION 20/20: Comprehensive Plan to reflect the direction provided through the State of Wisconsin Smart Growth Initiative, and in general administer the principles of design and development which promote the health, safety, and welfare of the community through a City-wide coordinated site plan review process.

The 2007 budget reflects increases in personnel expenses due to an external review of the Community Development Technician position (\$1,654) and the promotion of a Planner I to a Planner II (\$1,975). It also includes \$25,000 in consulting expense for assistance with the Smart Growth plan; the 2006 budget included that support plus \$30,000 for a study of the downtown area.

# CITY OF APPLETON – 2007 BUDGET EXECUTIVE SUMMARY

## **Housing and Community Development Grants**

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

Below are the specific objectives of each of these programs:

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

## **Tax Incremental Financing District (TIF) # 1**

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

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

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

## **TIF District # 2**

This program accounts for the receipt of district "incremental" property taxes and other revenues, along with the corresponding program expenditures. TIF #2 includes most of the area within the "Industrial Flats," from Lawe Street to Memorial 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 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, 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.

## **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).

The original expenditure period for capital projects in TIF District # 4 was expected to expire August 16, 2005. However, with recent changes to the state statute governing TIF districts, additional capital expenditures could occur in the future.

## **TIF District # 5 - West Wisconsin Avenue**

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

## CITY OF APPLETON – 2007 BUDGET EXECUTIVE SUMMARY

There are no projects scheduled for 2007.

### **TIF District # 6 – Southpoint Commerce Park**

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

The year 2007 Budget provides funding for maintenance and marketing of property within the TIF district.

### **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 2007 budget includes maintenance and marketing of the remaining non-TIF district 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.

### **Riverfront Initiatives**

This fund provides for the City's investment in the redevelopment of the riverfront.

The Riverfront Master Plan was approved in February of 2001. A multi-modal analysis of transportation and parking has been completed and identifies access points to the river. An engineering study has been completed, analyzing these pedestrian access points to determine the most appropriate type of pedestrian connection (e.g., asphalt trail, boardwalk, riverwalk, etc.) between them, and construction of these pedestrian connections has begun. Other projects along the river include the Vulcan Heritage Park and the Paper Discovery Center.

The master plan also identifies several redevelopment sites located along the banks of the Fox River near the College Avenue Bridge, including the former Foremost Dairy property and the Kaukauna Utility/MI Drilling property. Both properties have been identified for future medium to high density residential development. The 2007 Capital Project request is for site preparation and demolition on the Foremost Dairy property. Also included is \$250,000 for acquisition of other redevelopment sites as they become available.

### **Residential Project**

The former Appleton Wire Works South building has long been considered for conversion to a residential apartment complex. This project is for the City portion of the acquisition of the South building and its conversion into 25 affordable residential apartment units. The 25 units will be mixed in terms of income levels and subsidy types and will serve a mix of low-income households at or below 80%, 60% and 30% of the county median income. There are no projects scheduled for this fund for 2007.

### **RECREATION / LIBRARY / TRANSIT**

	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Budget</b>	<b>2006 Projected</b>	<b>2007 Budget</b>
<b>Library</b>	3,850,461	3,903,483	3,913,455	3,928,205	4,190,395
<b>Library Capital Projects</b>	0	33,978	0	0	250,500
<b>Frank P. Young Memorial</b>	1,200	500	800	1,000	800

### **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.

2006 accomplishments have included:

- Implemented new automated system

## CITY OF APPLETON – 2007 BUDGET EXECUTIVE SUMMARY

- Experienced record levels of circulation, with a projection of 800,000 adult items and 420,00 of children's items checked out
- Experienced record levels of use, with a projected annual door count of 578,000

Major 2007 objectives include:

- Develop a new long range plan for 2008-2010 to build upon existing 2005-2007 plan
- Continue cooperation with schools & other community organizations
- Explore ways to utilize volunteers more effectively
- Use new technologies for increased productivity
- Explore revisions to website and online service delivery
- Maintain the high quality library services to which residents are entitled, including circulation, collection development, cataloging, reference & readers' advisory, programs, electronic services, public meetings, etc.

The 2007 budget includes the replacement of a full time Bindery Clerk position in Technical Services with a part time Bindery Clerk and part time Library Assistant position in Network Services. It also includes the elimination of the equivalent of 1.165 FTE in part time, unbenefitted staff time related to the creation of the Facilities and Construction Management department. Due to tax levy constraints, the replacement of one reader/printer machine (\$8,000) has been deferred and the acquisition of additional self-check units has been limited to one instead of the planned two (\$16,500).

### Library Capital Projects

This fund is used to account for various Library capital projects. In 2007, it will provide for the replacement of the Library's air conditioning unit (\$212,000) and replacement and upgrade of security cameras (\$38,500).

### Frank P. Young Memorial

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

	2004 Actual	2005 Actual	2006 Budget	2006 Projected	2007 Budget
<b>Parks and Recreation</b>	4,161,691	4,190,014	4,305,402	4,336,352	4,371,479
<b>Forestry</b>	28,427	19,824	25000	25000	25,000
<b>Peabody Estate Trust</b>	0	0	0	0	0
<b>Balliet Locomotive Trust</b>	245	0	250	250	250
<b>Lutz Park Recreational Trust</b>	27,000	0	450,000	30,000	420,000
<b>Park Open Space Fund</b>	0	0	150,0000	150,000	107,0000
<b>Union Spring Park</b>	368	0	400	400	400
<b>Universal Playground</b>	0		1,750	1,750	2,000
<b>Parks and Recreation Capital Projects</b>	406,310	663578	1,150,000	775,255	2,200,000
<b>Reid Municipal Golf Course</b>	578,499	566,524	648,746	639,602	619,184

### 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

## **CITY OF APPLETON – 2007 BUDGET EXECUTIVE SUMMARY**

- 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 2007 budget includes the following changes:

- Revenue increase (\$1,500) from the rental of the Dance Studios to outside organizations;
- Revenue increase (\$10,000) from sponsorships of individual programs, such as the "On the Hill" movie program;
- Revenue increase (\$10,000) from a \$5 increase in non-resident fees (current rates: \$20 Youth, \$30 Adult, in place for over 10 years);
- Revenue reduction (\$13,500) from the AASD for rental of the dance studios in the City Center Plaza by the Renaissance School, which will not be using the studios in 2007;
- Additional revenues and expenses associated with the Dance Revue that will be held at the Xavier High Theater;
- Increase (approx. \$12,500) for the purchase of T-shirts for all youth sports programs (the cost of the T-shirts is factored into the individual player fees for those programs);
- Use of school staff as facility supervisors to reduce overtime expense for building engineers (\$6,244);
- Elimination of scorekeepers for youth basketball (\$1,938);
- Elimination of the Friday morning playground program (\$6,459);
- Elimination of the High School Basketball program (\$4,743 expense, \$2,150 revenue, relying on high school intramural programs);
- Elimination of the Adult Basketball program (\$24,000 expense, \$19,000 revenue, moved to Players Choice);
- Transfer of Badger Pool to the Appleton Area School District in 2006. The transfer agreement allows the City to rent any of the three high school pools at a reduced rate while the AASD assumes all operational costs.
- An increase for Facilities allocation based on square footage (\$73,769);
- The shift of an eight month Park Caretaker position, formerly allocated to Reid Golf Course, to this department. This will enable the Parks and Recreation Department to assume responsibility for all of the mowing and grounds maintenance at other City properties that was formerly contracted out by Facilities Maintenance.
- \$14,500 to purchase a chipper box for use with a J-hook truck to be purchased as a replacement for a single-axle dump truck. This vehicle will be used jointly by Public Works (the DPW budget includes the purchase of a sander/salter box) and the Forestry program and is expected to be capable of being changed over from forestry use to snow and ice control in about an hour. Purchase of this vehicle will allow Parks and Recreation to forego replacement of a non-CEA dedicated chipper vehicle in 2008, resulting in a savings of \$31,500 over two years and a one vehicle reduction to the City's fleet.

### **Forestry**

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

There was a \$5,000 reduction in tax levy dollars for this fund in 2005. The 2007 budget continues that level of funding and additional donations will be sought to offset the lower tax levy funding level.

### **Peabody Estate Trust**

To account for moneys received from a private donation to finance the repair, construction, and preservation of Peabody Park, and the corresponding expenditures for such purposes. No major projects are scheduled for 2007.

### **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.

Design work has been completed for the renovations to the boat launch and shoreline stabilization. It is anticipated these improvements will be coordinated with projected improvements by the adjacent Appleton Yacht Club and in coordination with the development of a trail between Lutz and Vulcan Heritage Parks and potential wetland and fisheries project. These projects were originally scheduled for 2006, but delays in obtaining the

## CITY OF APPLETON – 2007 BUDGET EXECUTIVE SUMMARY

necessary permits, changing grant cycles and continued negotiations with the Appleton Yacht Club require these improvements to be scheduled for 2007.

In early September, the City was notified of the award of a \$285,015 grant from the state Department of Natural Resources for work on the boat landing and shoreline restoration. 50% of that amount may be drawn in advance, with the balance receivable after completion of the project.

### **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 2006, funds were used to purchase lights for ball diamonds at USA Youth and for initial development of Apple Creek Estates Park. In 2007, this fund will be used to re-acquire the land adjacent to the old water treatment plant on West Water Street from WE Energies.

### **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.

### **Universal Playground**

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

### **Park and Recreation Projects**

This fund provides for a variety of Parks and Recreation capital needs. Included for 2007 is:

- Completion of Providence Trail;
- Installation of walks and lighting in Linwood Park and Derks Parks;
- Upgrade of lighting and electrical systems, scoreboards, and spectator seating at the ball diamond complex at Appleton Memorial Park;
- Demolition of the old water treatment plant structures and development of a trail between Vulcan and Lutz Parks
- Installation of playground equipment in Vosters and Telulah Parks.

### **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 upgrade of the irrigation system was completed in 2006 at a cost of approximately \$700,000. This capital improvement was factored into the expenses for the golf course, resulting in an increase in 2006 greens fees of approximately 8-10%. 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. Reductions in various operating expense have been made in an attempt to bring the expenditure budget in line with anticipated revenues. This budget reflects the reduction of .7 FTE Park Caretaker and the addition of 1,000 hours of part-time labor; the net personnel reduction is \$32,006. This change will result in a lower level of experience, expertise and service but reduction needs to be considered in light of the course cash flow situation. Greens fees are scheduled to increase 7-10% in 2007 to meet projected revenues.

	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Budget</b>	<b>2006 Projected</b>	<b>2007 Budget</b>
<b>Valley Transit</b>	6,426,072	6,526,824	7,233,950	7,259,950	7,614,595

### **Valley Transit**

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

## CITY OF APPLETON – 2007 BUDGET EXECUTIVE SUMMARY

Bus ridership through August 2006 was at 611,230, a decrease of 2.7% compared to the same period of 2005 when ridership was 628,363. The drop was caused in large part by the 20-33% fare increase that went into effect in June 2005 due to escalating diesel prices. Typically, transit planners estimate a 3% loss of ridership for every 10% increase; therefore a range of 6% - 9% loss of ridership would have been possible.

Major 2007 objectives include:

- Complete work with the East Central Wisconsin Regional Planning Commission to complete the RTA (Regional Transit Authority) study, which will focus on alternatives and options to deal with the loss of federal funding that will occur after the 2010 census, when the urbanized area population is expected to exceed the 200,000 resident threshold;
- Continue to strengthen partnerships with community organizations;
- Work with Appleton Downtown Incorporated (ADI) to find funding for trolley service between downtown and the riverfront; and
- Complete a comprehensive inspection and repair process of all old Orion buses (built 1992 – 94), with the goal of ensuring another 10 years use for school “Tripper” service and as backup to the primary fleet.

The budget for 2007 reflects the following:

- Maintenance of the fare increases put in place in 2005;
- Elimination of a half time Communications Technician position (\$18,542);
- A change in capital funding support from the Wisconsin Department of Transportation, in which small equipment and replacement parts for vehicles costing over \$1,000 are no longer eligible for 80% cost sharing;
- Inclusion of \$400,000 for a complete roof replacement at Valley Transit’s operations and maintenance facility. 80% of the cost of this project will be provided by federal funding and the balance by Valley Transit’s depreciation reserve;
- Establishment of a wireless network connection to Kobussen Buses (the contracted provider of paratransit services), which, along with the installation of a voice over internet protocol (VoIP) phone system in 2006, permits a significant reduction in telephone expense (approximately \$4,000 since 2005);
- An increase in projected fuel costs, from \$2.09 per gallon to \$2.69, due both to higher nationwide fuel prices and to emissions regulations that took effect in 2006 that require the use of ultra-low sulphur fuel;
- A program to offer Call-A-Ride service within the current service area from 10 PM to Midnight, Monday through Saturday (\$46,050), and outside the current fixed route service area from 6 AM to 10 PM, Monday through Saturday (\$90,000). Both of these expansions are contingent upon commitments of outside funding to cover the local share portions of the services.

### **PUBLIC WORKS**

	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Budget</b>	<b>2006 Projected</b>	<b>2007 Budget</b>
<b>Public Works</b>	10,825,971	10,528,490	10,767,740	11,111,449	11,722,163
<b>Sanitation</b>	3,688,175	3,757,358	3,128,767	3,078,767	3,312,630
<b>Subdivision</b>	1,451,849	1,755,096	2,127,405	2,127,405	2,215,866
<b>Public Works Capital Projects</b>	559,603	282,214	1,271,391	1,357,186	922,245
<b>Parking</b>	1,901,986	1,436,194	1,956,002	1,979,362	1,958,797
<b>CEA</b>	3,734,487	3,977,790	4,105,783	4,005,800	4,222,665
<b>CEA Replacement</b>	1,480,026	1,743,591	2,078,453	2,554,093	2,234,403

### **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

## **CITY OF APPLETON – 2007 BUDGET EXECUTIVE SUMMARY**

within the Wastewater Utility, and new street and sidewalk construction in various TIF districts and the Industrial Park Land Fund.

The 2007 budget reflects the following reductions from the departmental request to meet levy constraints:

- Deferral for one year of paving of Kensington Drive (\$280,900) and the alley north of College Avenue between Durkee and Drew Streets (\$26,523);
- Spreading land acquisition for Midway Road between Lake Park Road and Eisenhower Drive over two years (\$75,000);
- Deferral of installation of sidewalks on Kensington Drive (\$10,000) to coincide with the paving project;
- Reduction of the “green dot” sidewalk replacement program (\$10,000),
- Deletion of the arterial sidewalk program (\$45,000) for 2007;
- Reductions in sign replacement (\$5,000), school zone sign replacements (\$5,000), line painting (\$5,000), and traffic control grid expansion (\$8,200; \$20,000 was added for traffic control grid expansion, compared to \$28,200 requested);
- Reductions from requested budgets in the street patch program (\$70,000), asphalt purchases (\$10,000), and general bridge maintenance (\$15,000), though there is an approximate \$95,000 increase in the bridge maintenance scheduled for 2007. Bridges scheduled for maintenance include the Memorial Drive bridge and the S. Island Street and Lawe Street bridges over the power canal; and
- Reduction in Road salt purchases (\$10,000).

This budget includes \$14,500 to purchase a sander/salter box for use with a J-hook truck to be purchased as a replacement for a single-axle dump truck. This vehicle will be used jointly by Public Works and Parks and Recreation - Forestry (the Forestry budget includes the purchase of a chipper box) and is expected to be capable of being changed over from forestry use to snow and ice control in about an hour. Purchase of this vehicle will allow Parks and Recreation to forego replacement of a non-CEA dedicated chipper vehicle in 2008, resulting in a savings of \$31,500 over two years and a one vehicle reduction to the City's fleet.

### **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 2007 Budget includes increases in Central Equipment Agency (CEA) costs due to fuel cost increases and an increase of \$2/per ton in tipping fees at the Outagamie County Landfill.

### **Subdivision**

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

Effective January 1, 2004, the City no longer advances money for new subdivision development. The developer is required to obtain an irrevocable line of credit from which the City will have exclusive rights to draw all applicable costs. Upon completion of contracts and any other outstanding issues, the City will release the line. We have included \$77,514 in the 2007 budget for those costs that will be drawn from developers' lines of credit. For ease of administration, all other expenditures in this budget will administered by the City for immediate reimbursement by the developer, versus direct payment from the line of credit to the vendor.

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

### **Public Works Capital Projects**

This fund provides for a variety of Public Works capital needs. For 2007, this fund will be used to account for a handicap ramp and construction related services for the bascule bridge over the Fox River navigation canal on Lawe Street (\$100,000), design work and land acquisition for the eventual replacement of the College Avenue

## CITY OF APPLETON – 2007 BUDGET EXECUTIVE SUMMARY

bridge in 2008 (\$782,245), and replacement of a survey Total Station with a Robotic Total Station, capable of single-person operation when necessary.

### **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 statues 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 2007 budget includes \$75,000 for structural maintenance and repairs to parking ramps, as recommended by the structural engineering consultant's report, \$28,000 for restoration of the parking lot at the corner of N. Appleton and Packard Streets, and \$35,000 for the replacement of handheld parking ticket writer units.

### **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 2007 budget reflects fuel price increases (approximately \$55,000 over the 2006 adopted budget). Unleaded and diesel fuel is budgeted at \$2.53 and \$2.63 per gallon, respectively, versus \$2.39 and 2.36 per gallon in 2006.

### **CEA Replacement Fund**

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

## **PUBLIC HEALTH & SAFETY**

	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Budget</b>	<b>2006 Projected</b>	<b>2007 Budget</b>
<b>Health Services</b>	1,076,069	1,091,861	1,056,734	1,072,427	1,116,030
<b>Health Services Grants</b>	433,750	493,891	584,067	587,280	478,336

### **Health Services**

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

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

Through the environmental health program, the department works to prevent the occurrence and spread of disease in the community through regulating and inspecting public eating/drinking establishments, retail food establishments, recreational facilities, and massage and tattoo establishments. The department's environmental health staff also assesses, consults, and works to correct human health hazards including lead paint, solid waste, housing sanitation, potential rabies exposure, and vector control; provides public education; and acts as a referral mechanism to other state and local agencies for information on environmental and safety hazards. The weights and measures inspectors provide consumer protection through complaint investigation, measurement and weighing device testing, price scanning system inspection, product checkweighing, and label verification. They also monitor business methods to prevent fraudulent advertising and trade practices and provide investigative services for the City Clerk's Office in licensing and regulating going out of business sales, commercial solicitors, and second hand and salvage dealers. The 2007 Budget reflects the continuation of a program begun in

## CITY OF APPLETON – 2007 BUDGET EXECUTIVE SUMMARY

mid-2003 of providing weights and measures certification services to surrounding communities. The communities are charged a fee, which offsets the additional cost of staff time to provide the service. Seven area communities now participate in the program, purchasing a total of 127 days of certification services, compared to 113 days in 2006, and 77 days in 2004, the first full year of the program. The rate for these services is \$419 per day.

To meet tax levy constraints, the budget for this department includes a reduction of .2 FTE (\$9,550) in clerical support, which will result in longer turn-around times for some support activities. It also includes a reduction in overtime expense of \$2,782, based on recent experience of actual overtime usage.

### 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 2007, this program will provide approximately 24 women and children with prenatal and child care coordination services.

- Vaccine Improvement Plan Grant – The department's immunization program is expected to administer vaccines primarily to children from 2 months through 18 years of age and assist in developing the immunization infrastructure necessary to raise immunization levels and prevent vaccine preventable diseases such as diphtheria, tetanus, pertussis, polio, measles, mumps, rubella, haemophilus influenza B, varicella, rotavirus, and hepatitis B. This program reached over 1,800 children in 2005 and is expected to reach over 1,000 children per year in 2006 and 2007.
- 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. The grant will support the Walk to Win campaign to encourage regular exercise in 2007.
- CDC Lead Poisoning Prevention Grant – Strategies including lead assessment and abatement, lead screening, individual and community education, and case management have been utilized in this program to reduce the incidence and impact of lead poisoning. All children with elevated blood levels of lead who have benefited from this program have shown progressive declines in blood lead levels in the 12 months following the first home visit.
- Bioterrorism Grant - The City receives grant funding to support training to deal with the effects of bioterrorism. In addition, the Appleton Health Department serves as fiscal agent and has hired staff to support the Fox Valley Public Health Preparedness Consortium, which is one of 12 consortium regions in the state working to ensure a quick, effective and coordinated response to public health emergencies. While the threat of a terrorist incident has been the driving force in these response plans, they are equally effective in any public health emergency, whether it is the result of violent weather, an unexpected disease outbreak, or a hazardous materials accident that may pose a threat to the community.

The 2007 Budget includes the allocation of 5% of the City Grants Administrator's time (\$3,917), to account for time spent managing the grants and their required audits, as well as 20% of the Health Officer's time (\$24,351) and .5 FTE of administrative support staff (\$23,837).

	2004 Actual	2005 Actual	2006 Budget	2006 Projected	2007 Budget
<b>Police</b>	12,601,723	12,858,435	13,211,721	13,267,858	13,882,887
<b>Police Grants</b>	5,000	153,136	25,000	5,065	84,186
<b>Public Safety Capital Projects</b>	289,169	244,859	1,289,000	2,231,247	1,600,269

## **CITY OF APPLETON – 2007 BUDGET EXECUTIVE SUMMARY**

### **Police**

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

Significant events in 2006 include:

- Completion of an assessment of the department's command structure, which resulted in the reorganization of resources,
- Continuation of work on planning the new police station,
- preparation for implementation of the new records management system and the Wisconsin Department of Justice's Traffic and Criminal Software (TraCS) program,
- Re-accreditation by the Commission on Accreditation for Law Enforcement Agencies (CALEA), and
- Implementation of the Wireless Bridge Project to improve regional inter-operability of communications systems by, among other things, installing an antenna on the 222 Building, the tallest structure in downtown Appleton, to improve radio coverage.

Specific objectives for 2007 include:

- Continuing planning and design work for the new police station, budgeted in the Public Safety Capital Projects fund,
- Further analysis and testing of voice recognition software to speed document processing,
- Implementing the new records management system,
- Evaluation of the restructuring of the patrol districts, and
- Integration of the newly formed Canine Enforcement Program into the department.

The 2007 Budget includes:

- Replacement of equipment (treadmills, exercise bicycles, etc.) in the Fitness Center (\$8,650),
- An increase in the guns and ammunition budget for replacements of Taser cartridges, formerly available to the department in conjunction with training activities (\$1,985),
- The addition of one crossing guard (\$5,400) for the St. Joseph's school at Oneida Street and Northland Avenue,
- An increase for the Fox Valley Humane Association (FVHA) to provide animal control services (\$11,800, though less than the FVHA proposed fees),
- An increase (\$5,000) in charges for specialized computer analysis provided by the Grand Chute Police Department, and
- The addition of \$29,720 in expenses related to the canine program. For 2007, the entire cost of the canine program is underwritten by a donation from the Community Foundation for the Fox Valley Region.

The 2007 Budget also reflects the following personnel changes: transfer of the vacant position of Intercultural Relations Coordinator (\$67,590) to the Mayor's Office to reflect the City-wide utilization of the services this position provides; elimination of the vacant part time Criminal Justice Assistant (\$4,198); a reduction (\$25,000) from the requested budget for overtime; and the addition of 3 Officer positions, to be filled mid-year (\$94,477). It also reflects the deferral of replacement of eight Automatic External Defibrulators (AEDs, \$9,600,), purchased in 1998 but still serviceable, and two Speed Monitoring Awareness Radar Trailers (SMART, \$14,000) to meet tax levy constraints.

### **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 2007 Budget of \$84,186 represents revenues and expenditures associated with a Secure our Schools grant to be used to secure various Appleton Area School District (AASD) schools.

## CITY OF APPLETON – 2007 BUDGET EXECUTIVE SUMMARY

### Public Safety Capital Projects

This fund provides for a variety of Public Safety capital needs. For 2006, this fund will be used to account for:

- Design work and site preparation for the renovation of the Police Station, incorporating a two-level parking deck to provide secure parking for police vehicles on one level and employee parking on the other. Some of the needs to be addressed include expanding the police communications center and workspace for records, investigators, and patrol supervisors; increasing limited evidence storage, office and archive space; and creating additional in-custody booking rooms (\$1,170,269 of an \$11,812,500 project).
- Land purchases for the eventual relocation of fire stations to improve the efficiency of response and resource allocation (\$300,000).
- The first phase of equipping police and fire vehicles with GPS/GIS locator systems to enable dispatchers to more efficiently allocate calls to particular response units (\$30,000). This project will equip the first 10 Fire vehicles.
- Replacement of all Police patrol portable radios with units meeting the recently developed P25 standard for communication between emergency responders (\$100,000).

	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Budget</b>	<b>2006 Projected</b>	<b>2007 Budget</b>
<b>Fire</b>	8,701,042	8,589,113	8,914,468	8,901,538	9,455,802
<b>HazMat Level A</b>	169,043	352,600	115,601	194,947	265,601

### 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 accomplishments in 2006 include:

- A restructuring of the table of organization to include a Deputy Chief of Prevention and Logistics, reorient the existing Deputy Chief position towards Suppression, and convert three vacant Battalion Chief positions to Captain positions;
- Selection of a replacement pumper truck, with selection of an alternate response vehicle to be completed by year-end; and
- Completion of the renovation of Fire Stations # 1.

In 2007 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 2007 Budget includes :

- Replacement of Automatic External Defibrulators (AEDs) that have reached the end of their useful life (\$10,000);
- Creation of a civilian Fire Protection Engineer position to enhance fire inspection productivity; and
- Transfer of one vacant Fire Support Mechanic position to the newly created Facilities and Construction Management department (\$64,184).

### 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.

## CITY OF APPLETON – 2007 BUDGET EXECUTIVE SUMMARY

The 1993 Chevrolet Suburban used to respond to incidents and for travel to training was replaced in 2006. The replacement vehicle is a four-door pick-up truck, which will be better suited to the needs of the program at a lesser cost. The contract for regional services will expire June 30, 2007 so a new contract is being negotiated. Additionally, \$180,000 is budgeted to purchase a vehicle to replace a vehicle that is approaching the end of its service life. The new vehicle will be a medium duty utility truck and trailer, or tractor/trailer type of vehicle which will be used to carry equipment, conduct field laboratory work and act as a research center. The budget includes an increase in travel/training (\$11,500) due to more staff attending the regional haz-mat training than in past years. This increase is due to the requirement that all new employees become members of the haz-mat team.

As noted in the 2006 Budget, this budget contains revenues and expenditures associated with the receipt of a grant from the State for training and response to structural collapse. The grant covers a regional area that includes Appleton, Oshkosh, Neenah-Menasha and Green Bay. \$38,208 and \$301,020 of expenses related to the grant have been incurred in 2004 and 2005, respectively, and an additional \$58,099 of expenses are included in the amended 2006 Budget. There is no budget for the grant in 2007.

### **DEBT SERVICE**

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

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs, excluding that payable from proprietary funds. The City maintains an Aa1 General Obligation rating and projects to keep our debt below 20% of the legal debt limit.

**Table 13: DEBT SERVICE EXPENDITURES**

<b>Debt Service Funds</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Budget</b>	<b>2006 Projected</b>	<b>2007 Budget</b>
Debt Service Funds	8,036,970	7,794,913	9,063,609	11,408,609	8,828,037

### **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.

	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Budget</b>	<b>2006 Projected</b>	<b>2007 Budget</b>
<b>Water Utility</b>	12,280,891	13,009,598	15,353,553	15,353,553	16,425,714

### **Water Utility**

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

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

## CITY OF APPLETON – 2007 BUDGET EXECUTIVE SUMMARY

readings of all water meters and testing, repairing, and replacing meters to ensure accurate and fair billing for water usage.

The 2007 Budget for treatment operations includes the following changes from 2006:

- A decrease in contractor fees of (\$500,000) due to no scheduled tower painting in 2007.
- An increase of \$31,000 for additional mandated water quality testing.
- A Maintenance Specialist I position (\$67,289) and the 20% of the Maintenance Supervisor's position previously allocated to the Water Utility (\$18,060) have been transferred to the Facilities and Construction Management department.
- An increase in chemical expense to reflect increased pre-treatment usage and increased costs of the chemicals purchased (\$102,500).
- An additional \$3,000 for the proposed Menasha Stormwater Utility.
- Due to the increased age in of the membrane cartridges additional membrane repairs were made in 2006 after lower experience in 2005. There will also be membrane replacements on the existing stages and the addition of one stage (see capital projects listing below). The operating budget includes the membrane portion of the new membrane stage to be installed in 2007 (total membrane budget \$564,000).

In addition to funding for various necessary distribution infrastructure capital improvements (\$7,259,674), the 2007 Budget also includes the following capital expenditures:

- \$ 75,000 for a planning study of the water distribution system;
- \$ 83,103 for design work on a second feeder main from the lake station to the water treatment plant;
- \$ 60,000 for the improvements to the lime slaker system;
- \$180,000 for the addition of one membrane stage to expand the filtration capacity; and
- \$180,000 for improvements to the membrane coagulant feed system.

The Water Utility has also undergone a rate study, resulting in an application to the Public Service Commission for a rate increase. It is expected that the PSC will act on these rates in late 2006 or early 2007.

	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Budget</b>	<b>2006 Projected</b>	<b>2007 Budget</b>
<b>Wastewater Utility</b>	10,913,371	10,662,348	10,762,199	10,681,712	11,168,167

### **Wastewater Utility**

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

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

The 2007 Budget includes funding for various necessary capital improvements in both treatment and collection systems. In addition to \$4,036,704 of infrastructure construction projects, the 2007 Budget includes the following:

- \$1,300,000 for the replacement of bar screen # 3;
- \$ 120,000 to replace the roof of the sludge storage building, and
- \$ 6,022 for the utility's portion of a replacement folder/insert used for invoice preparation.

The budget also reflects the following operating changes:

- A Maintenance Specialist I position (\$59,227), a Maintenance Helper position (\$64,699), and Electrician position (\$77,804), and the 80% of the Maintenance Supervisor's position previously allocated to the Wastewater Utility (\$72,244) have now been assigned to the Facilities and Construction Management department.
- The budget also reflects the reduction in personnel expense due to the retirement of the Deputy Director in 2007 and the replacement hired in the starting salary range as well as the Director that was hired in the starting salary range in 2006.

**CITY OF APPLETON – 2007 BUDGET  
EXECUTIVE SUMMARY**

Due to the loss of several major high strength customers over the last few years, the Wastewater Utility underwent a rate study resulting in average increases of 14-16% for most customers, effective 10/1/2005.

	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Budget</b>	<b>2006 Projected</b>	<b>2007 Budget</b>
<b>Stormwater Utility</b>	3,945,112	4,314,385	4,729,322	4,469,125	4,811,291

**Stormwater Utility**

The Stormwater Utility was created to provide for the management of surface water run-off in the City of Appleton. Maintaining the current facilities to ensure they are operating at their designed potential to prevent system failures is one component of the stormwater program. Capital construction includes designing, building, and replacing of stormwater facilities to ensure compliance with established regulations, to protect surrounding infrastructure and the environment, to increase the acres of land for development and prevent system failures. Maintenance and Capital budget expenses are scrutinized to minimize changes in the stormwater utility rate, which is currently \$108.88 per equivalent residential unit (ERU) per year and was last changed in October, 2006. This rate is anticipated to be in effect through 2009.

The 2007 Budget provides funding for various necessary infrastructure capital improvements (\$6,354,841) to continue our efforts in the ever-increasing management of stormwater in the city to fulfill the obligations required from Natural Resources Regulations 151 and 216 and to control flooding. Major projects include storm sewer reconstruction in the Peabody Park area to address flooding and the Memorial Park northeast pond construction that contributes towards the City-wide stormwater management plan. This budget also includes \$6,023 for the utility's portion of a replacement folder/insert used for invoice preparation.