

City of Appleton, Wisconsin



2009 ADOPTED BUDGET AND SERVICE PLAN

EXECUTIVE SUMMARY

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



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

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December 1, 2008

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

Dear Appletonians:

I present to you the 2009 Budget and Service Plan, including the five-year Capital Improvement Plan. Total expenditures for the 2009 Budget are \$149,438,550. This budget concentrates on providing core services but does delay capital projects not necessary to carry out essential everyday operations in light of current local and national economic conditions.

The City faces challenges both on the revenue and expense sides of the equation. Intergovernmental revenues make up approximately 30% of our revenues. The three major components (state shared revenues, expenditure restraint and transportation aid) are included in the budget with a combined overall increase of only .3% based on estimates received from the State. Increased costs, especially in the area of personnel, utilities and fuel in a growing inflationary economy, have made the budget very difficult to balance. 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 \$3.37 and \$3.92 per gallon (the City does not pay federal gas tax and purchases in bulk), compared to \$2.75 and \$2.62 in 2008. We have included a 3.2% increase for electricity and a 10% increase for natural gas. The increased costs in the area of personnel are uncertain as none of the labor contracts are settled yet for 2009.

Conversely, a major factor having a positive effect on the 2009 Budget is the performance of our Tax Incremental Financing (TIF) districts. The combined growth in equalized values in our six TIF districts was \$48,277,600 or 15.8%. Tax Incremental Districts Two, Three and Five will pay back \$2,395,000 to the General Fund on the advances received in the earlier years of existence.

In the remainder of 2008 and early 2009, we will also be evaluating the City's Facilities Master Plan, expected to be released this fall. This will entail a comprehensive review of the current facilities and departments while developing a strategic planning tool to address current conditions and future projects and facilities planning over the next ten years.

FISCAL

- Taxes – Overall, this budget includes an increase in levy-related expenditures of 3.30% that is offset by a 2.50% increase in revenues resulting in a tax levy increase of 4.09%, \$328,668 below the state limit. The increase in the levy, coupled with the real growth of the City's tax base of 4.24%, results an equalized tax rate of \$7.8372, a 0.15% 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. These ratings enable the

City to borrow funds at very low interest rates, which in turn, saves our taxpayers and ratepayers significant dollars.

- Revenues – Given increases in Valley Transit operating expenses, primarily fuel for the fixed routes and a decline in State and Federal support, this budget includes an increase for cash fares from \$1.50 to \$1.80 per ride, but also an increased incentive to purchase 10-ride or 30-day passes by making them less expensive. An additional \$.20 fuel surcharge may be added in July, depending on the market price of diesel fuel. The ridership is also projected to increase 2%.
- Service Reduction – This budget includes the elimination of the Commercial Refuse Collection Program. This does have an impact on the current level of service the City provides to businesses, schools, churches and other City facilities; however, this service is readily available through private sector companies.

ECONOMIC DEVELOPMENT

Development related projects in this budget include:

- Industrial and Business Park Development – This budget includes funding of \$1,167,424 for Midway Road infrastructure in the Southpoint Commerce Park area. Currently there are 32 lots available for sale in Southpoint Commerce Park and 8 available in the Northeast Industrial Park. The 2010 and 2012 Budgets provide funding for infrastructure for Phases IV and V.
- East College Avenue and College Avenue Bridge Reconstruction – This budget includes \$4,754,730 to complete this major gateway into our community.
- The City created TIF District #7 in the area of South Memorial Drive from Calumet Street to State Highway 441 to provide targeted investments in this commercial corridor in conjunction with the private market. The 2009 CIP funds (\$49,000) will be used as developer incentives and revitalization grants that will result in a more attractive and valued business corridor.
- The City expects to create TIF District #8 to provide targeted investments in an area located along the banks of the Fox River, in conjunction with the private market, while recapturing the cost of participation through increased property tax revenues. Two key sites include the former Foremost Dairy property on the north side of the river and the Kaukauna Utility/MI property on the south. Both sites have been identified for future medium to high density residential development, with the Kaukauna Utility/MI Drilling property to include coordination of a secondary access and public improvements with Telulah Park. Significant environmental remediation activities are in progress on this property. The 2009 Budget includes \$34,761 engineering expenditures related to access to the sites which would be recovered along with any other expenditures via a developer-funded agreement. Developer-funded agreements allow increment from the project to be dedicated to repay a percentage of the eligible costs incurred by the developer. The City will not be obtaining the direct financing for either of these projects thus shifting a majority of the risk to the developer.

UTILITIES

- Water –Water Plant enhancement projects that will provide more cold water production reliability and reduced chemical unit cost include: addition of sand to GAC contactors for mixed media water filtration, procurement of a spare membrane backwash pump, installation of a bulk citric acid system, installation of a bulk aluminum chloro-hydrate (ACH) system, installation of a new lime slaker, enhancement of membrane feed wet well capacity, replacement of corroded waste wash water pipes, and separation of membrane CEB waste for disposal to the Wastewater Treatment Plant at a cost of \$1,640,000. The budget continues focus on replacing aged distribution and transmission mains as well (\$6,291,904). The Public Service Commission denied a two-step approach for the 2008 rate study; therefore, the City will need to file rate increases annually, incurring costs from consultants, the Public Service Commission and

internal staff time until the capital issues are complete to provide more cold water production reliability.

- Wastewater – Capital improvement projects that will enhance the longevity of the Wastewater Treatment Plant infrastructure include High Pressure Aeration Blower Variable Frequency Drive (VFD) installation (\$800,000) and Waste Digester Gas Utilization improvements (\$500,000). The wastewater collection system capital improvements will focus on major interceptor rehabilitation to maintain the system at a level that will accommodate growth and increased wastewater needs for our community, as well as other typical reconstruction projects prior to paving (\$3,899,674). A rate study will need be completed in 2009 prior to issuing debt in order to meet coverage ratios. At this time, a 6% increase in rates is anticipated with a mid-year implementation.
- Stormwater – This budget includes detailed drainage studies for the Kensington North, Green Bay Road, and State Street areas including completion of design for the Apple Creek Erosion Mitigation Project and Bellaire Ravine Mitigation Project for a total overall capital plan of \$6,823,311. The rate increase implemented in 2006 is expected to cover the requirements of the Stormwater Infrastructure Program through 2009.

PERSONNEL

The 2009 Budget includes the following personnel changes:

- Golf Course – This budget reflects the reduction of the golf course superintendent position from 1.0 FTE to .7 FTE (-\$31,797) to address declining participation levels at the golf course, its impact on revenues and the ability of the golf course to sustain itself as an enterprise fund.
- Grants Administration – With the award of the Safe Routes to Schools grant, this position will increase to full time to develop a local media campaign, workshops and a safe walking/biking plan in cooperation with Appleton West High School. The position remains fully grant funded and the increase from .8 to 1.0 is only funded for one year at this time.
- Police – This budget includes the conversion of one sworn police officer to an operations Captain position funded by other reductions to the Police Department budget. Currently the Captain responsible for the Southern District is also responsible for the Downtown District. The Southern District accounts for 26% of the calls for police service and approximately one-third of the City's population. The Downtown District, with its entertainment challenges, detracts from the growing responsibilities and demands of the Southern District. Additionally, the Southern District is situated in three counties, which brings in unique coordination and liaison challenges. With one Captain specifically assigned to the Southern District, greater attention can be given to the growing demands for police service, primarily around the 441/Calumet Street corridor.
- Sanitation - A Front-Load Refuse Truck Operator position in the Sanitation Department (\$61,657) has been eliminated due to the elimination of commercial front-load refuse pickup.
- Stormwater - An Equipment Operator I position has been created in the Stormwater Utility (\$57,989), funded by a reduction in budgeted contractor fees. This will enable the Stormwater Utility to reduce its reliance on outside contractors for major stormwater facilities maintenance projects and to increase the amount and improve the timeliness of routine maintenance.

Further details can be found on page 586.

CAPITAL IMPROVEMENT PROGRAM

Highlights of the remainder of the 2009 CIP are as follows:

- Parking Utility – Structural repairs for the highest priority needs in the parking ramps, based on the consultant’s evaluation report, upgrades to the pay-on-enter machines, and installation of cameras at the entrances and exits of our parking ramps to provide safety for City ramp personnel as well as ramp users (\$168,600).
- Facilities improvements include:
 - The potential Library expansion includes \$75,000 to complete architectural program design that will provide more detail on space needs, spatial relationships and costs. The Library Foundation has agreed to fund \$25,000 of this cost.
 - During 2008, the City completed an assessment of the existing back-up generator system at the City Center West facility and determined that the City needs an independent generator (\$150,000) due to increased loads over the past 8 years. This independent generator will support mission critical loads as part of the municipal disaster recovery plan.
 - Continued focus on lighting and HVAC upgrades resulting in significant energy savings (\$245,000).
 - Continued focus on roof replacement as roofs are considered a critical component of each facility and require ongoing repair and maintenance. The City has 113 roof areas totaling over 536,000 sq ft. (\$220,000).
- Continued work on the wireless broadband access technology. A partnership with INFOCIS (City of Appleton, Outagamie County, Winnebago County, City of Neenah, Grand Chute, FVTC and Appleton Area School District) has been established for this project and it is anticipated the City share will be about 50% of the \$380,000 expected to be incurred in 2009.
- Completion of the Police Station remodeling project. Total project cost is currently capped at \$12,826,500 with a maximum of 65,000 square feet and a two-level parking deck.
- Other public safety investments include funding to replace all Police Department wideband analog portable radios with P25 compatible narrowband digital radios (\$307,500) and the replacement of the Fire Department’s extrication equipment (\$40,000).

CONCLUSION

I’d like to take this opportunity to thank all of our department heads and their staff for their work on this budget. I thank the staff for working hard to keep the best interests of the City in mind, sometimes in spite of their own department’s wants and desires. I would also like to thank Kelli Rindt, John Hoft-March, Stephanie Woodworth, Tony Saucerman and Director Lisa 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.

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

Sincerely,

TIMOTHY M. HANNA
Mayor of Appleton

CITY OF APPLETON – 2009 BUDGET EXECUTIVE SUMMARY

COMBINED SUMMARY OF EXPENSES - ALL FUNDS

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

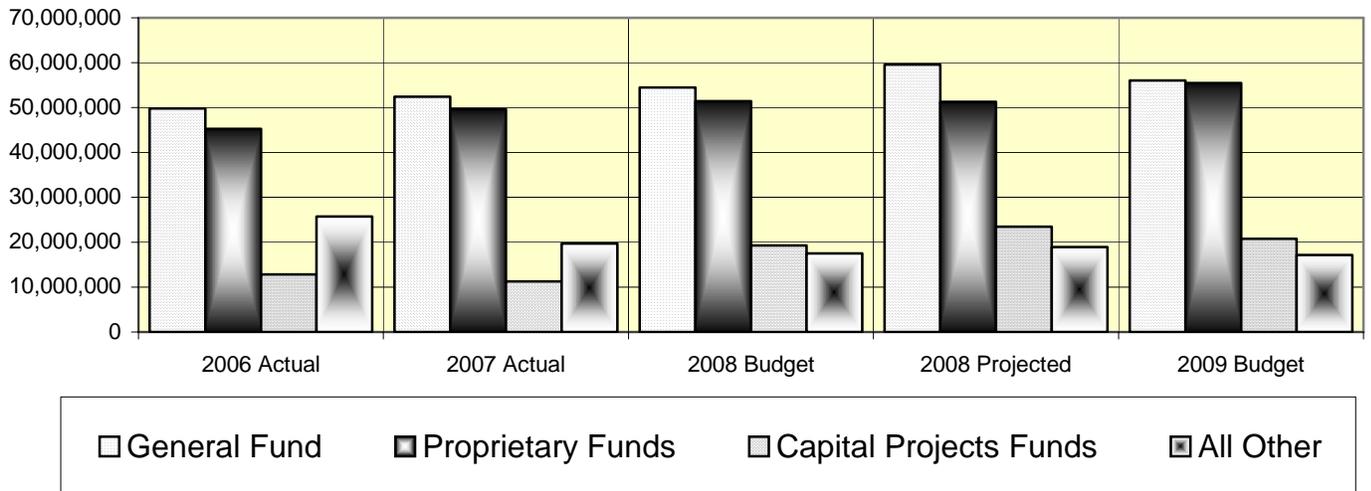
Table 1: TOTAL EXPENSES - ALL FUNDS ¹

Funds	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
General Fund	\$ 49,786,342	\$ 52,385,645	\$ 54,456,067	\$ 59,574,903	\$ 56,020,143
Debt Service Funds	11,320,690	9,002,071	7,814,030	7,814,030	8,308,066
Special Revenue Funds	14,422,441	10,675,568	9,724,823	11,093,954	8,832,399
Capital Projects Funds	12,852,425	11,274,189	19,301,094	23,507,233	20,807,748
Proprietary Funds	45,265,118	49,654,923	51,407,732	51,437,100	55,469,644
Permanent Funds	1,000	550	588	588	550
Total - All Funds	\$ 133,648,016	\$ 132,992,946	\$ 142,704,334	\$ 153,427,808	\$ 149,438,550

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

² 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 – 2009 BUDGET EXECUTIVE SUMMARY

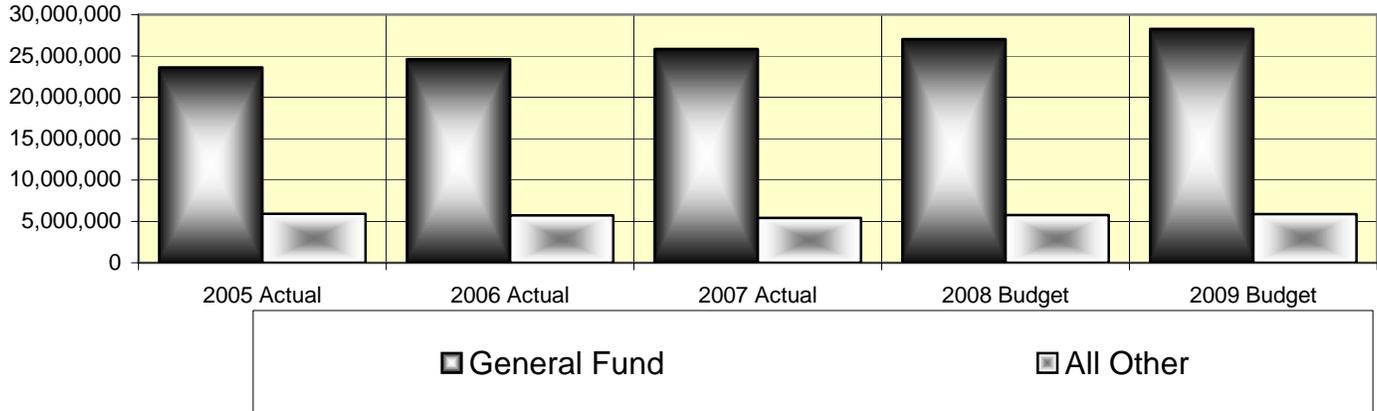
PROPERTY TAXES

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

Funds	2005 Actual	2006 Actual	2007 Actual	2008 Projected	2009 Budget
General Fund	23,626,615	24,624,866	25,839,080	27,022,848	28,262,192
Debt Service Funds	2,903,025	2,897,879	2,953,457	3,303,443	3,240,038
Special Revenue Funds	2,637,436	2,536,257	2,467,850	2,481,550	2,647,850
Capital Projects Funds	365,731	300,000	-	-	-
Total - All Funds	\$ 29,532,807	\$ 30,359,002	\$ 31,260,387	\$ 32,807,841	\$ 34,150,080

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 2008 property tax levy (payable in 2009), approximately 32.9% was levied for various City operations as illustrated in Table 3 and in Figure 3 following. Another 33.7% was levied by the Appleton, Menasha, Kimberly and Freedom school districts, 18.0% by Outagamie, Calumet, and Winnebago counties, 7.1% by Fox Valley Technical College (WCTS), and .8% by the State of Wisconsin. The remaining 7.5% 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.

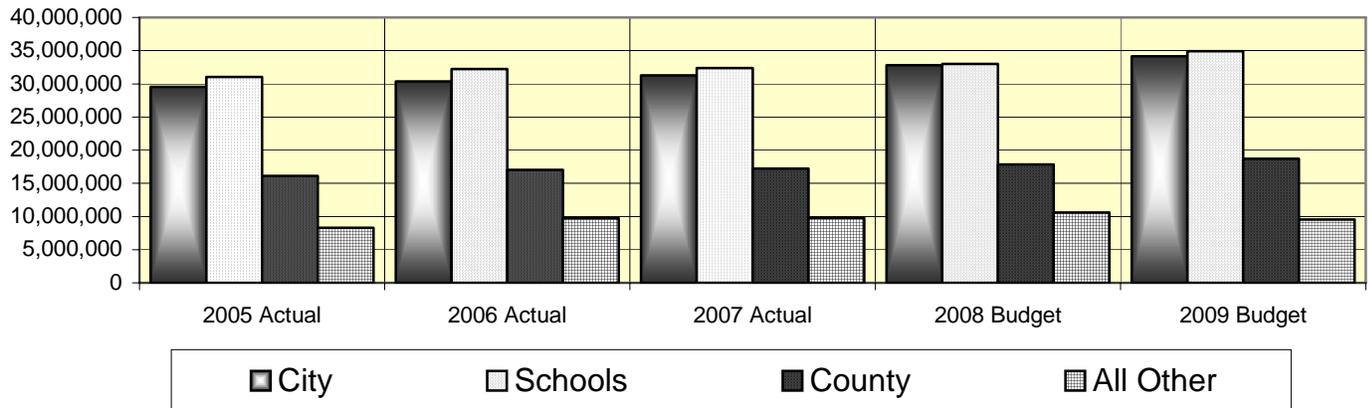
CITY OF APPLETON – 2009 BUDGET EXECUTIVE SUMMARY

Table 3: CERTIFIED APPORTIONMENT OF PROPERTY TAXES

Apportionment	2005 Actual	2006 Actual	2007 Actual	2008 Budget	2009 Budget
City	29,532,807	30,359,156	31,260,387	32,807,841	34,150,080
WTCS	6,310,163	6,588,696	6,721,675	6,978,847	7,331,505
Schools	31,036,260	32,218,451	32,395,678	32,992,462	34,933,078
State	767,301	781,907	763,941	776,514	799,486
County	16,118,113	17,024,491	17,217,035	17,856,640	18,714,735
TIF Districts	5,376,832	6,484,731	7,485,407	8,653,800	7,770,070
Total - All Portions	\$ 89,141,476	\$ 93,457,432	\$ 95,844,123	\$ 100,066,104	\$ 103,698,954
Less State Credits	4,168,183	4,100,024	5,206,059	5,830,499	6,351,872
Net Tax Levy	\$ 84,973,293	\$ 89,357,408	\$ 90,638,064	\$ 94,235,605	\$ 97,347,082

* Not available

Fig. 3: CERTIFIED APPORTIONMENT OF PROPERTY TAXES



TAX LEVY

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

Tax Levy	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual
City	8.5035	8.4351	7.6845	7.9258	7.9594
WCTS	1.8169	1.8306	1.6523	1.6860	1.7088
Schools	8.9156	8.9402	7.9467	7.9572	8.1328
State	0.2109	0.2021	0.1732	0.1714	0.1724
County	4.7299	4.7410	4.2482	4.3270	4.3729
Gross Tax Levy	\$ 24.1768	\$ 24.1490	\$ 21.7049	\$ 22.0674	\$ 22.3463

* Not available

Outagamie County/Appleton Area School District only.

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

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

**CITY OF APPLETON – 2009 BUDGET
EXECUTIVE SUMMARY**

Increases or decreases in assessed value with no additional property added or demolished will change the individual's share of the property tax levy only.

If the total property remains stable, increases in the levy will result in increased assessed rates. Appleton has had a 12.157% increase in net new construction from 2005 to 2009, while the tax levy has increased by 15.6%.

Table 5: TOTAL FULL TIME EQUIVALENT EMPLOYEES

DEPARTMENT	2006	2007	2008	2009
Assessor's Office	7.00	7.00	7.00	7.00
Attorney's Office	3.67	3.67	3.67	3.67
City Clerk's Office	5.00	5.00	5.00	5.00
Finance Department	9.87	9.85	9.85	9.85
Fire Department	102.00	101.00	101.00	101.00
Health Department	13.05	12.85	12.85	12.85
Health Grants	4.55	4.60	4.40	3.40
Technology Services	15.40	15.40	15.40	15.40
Library	45.50	45.50	45.50	45.50
Mayor's Office	3.00	3.00	3.00	3.00
Facilities Management	-	8.00	8.55	8.55
Parks & Recreation	34.00	34.67	34.67	34.67
Reid Golf Course	2.67	2.05	2.05	1.75
Human Resources	5.95	5.95	5.95	5.95
Risk Management	2.98	2.98	2.98	2.98
Community Development	8.00	8.00	8.00	8.00
Housing & Community Devel.	2.68	2.65	2.75	2.76
Police Department	133.00	135.00	135.00	135.00
Public Works	59.80	58.57	55.32	57.81
Sanitation	22.69	22.69	22.69	21.29
CEA	14.11	14.11	14.11	14.11
Parking	11.47	11.47	11.47	11.47
Capital (TIF, Subdivision, etc.)	4.03	4.26	8.31	6.50
Stormwater Utility	16.12	17.52	16.92	17.32
Water Utility	38.27	36.92	36.92	36.42
Wastewater Utility	32.47	28.07	27.32	28.32
Valley Transit	54.80	54.30	51.90	51.90
Total Regular Employees	652.07	655.08	652.57	651.47

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 2009 are the addition of .2FTE to the grant funded Grants Administrator (to a total 1.0 FTE) to support the activities funded by the Safe Routes to Schools grant and a .3 FTE reduction in the Golf Course Supervisor position to address declining participation levels at the golf course, its impact on revenues, and the ability of the golf course to sustain itself as an enterprise fund. Also reflected are the elimination of a Front Load Refuse Operator position, the addition of an Equipment Operator 1 position, and the elimination of a grant-funded public health educator/trainer position. This occurred during 2008 as the result of changes in health grant allocations from the State.

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 – 2009 BUDGET EXECUTIVE SUMMARY

Table 6: GENERAL FUND SOURCES OF REVENUE

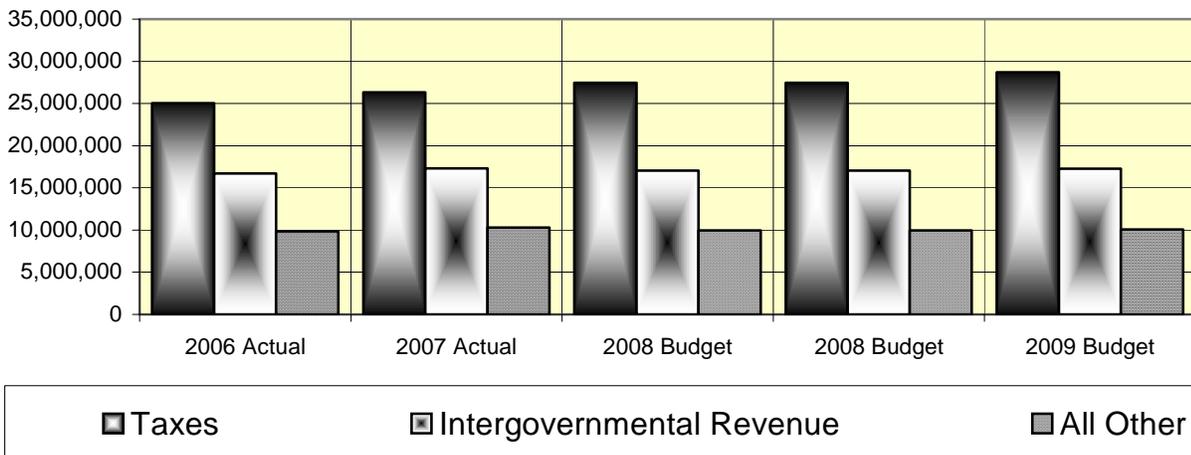
Source	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
Taxes	25,059,141	26,316,645	27,451,648	27,451,648	28,705,692
Intergovernmental Revenue	16,723,824	17,300,512	17,028,666	17,043,285	17,255,486
Licenses and Permits	938,603	858,761	803,566	803,566	913,570
Special Assessments	1,203,720	877,012	1,128,480	900,000	1,015,000
Fines and Forfeitures	271,530	315,809	300,000	300,000	300,000
Interest Income	3,195,214	4,509,771	3,882,203	3,000,000	3,773,908
Charges for Services	1,350,613	1,286,373	1,370,238	1,300,000	1,514,896
Other Revenue	1,426,414	1,069,961	1,042,816	1,085,890	1,093,141
Total General Fund	50,169,059	52,534,844	53,007,617	51,884,389	54,571,693
Other Financing Sources	1,439,070	1,362,695	1,448,450	1,448,450	1,448,450
Total Revenue & Other	51,608,129	53,897,539	54,456,067	53,332,839	56,020,143

The largest single source of funding for General Fund operations is the property tax, which will provide \$28,262,192 or approximately 50% of revenues in 2008. The next largest is intergovernmental transfers, of which \$11,469,591 is from the State government under the State Shared Revenue program. This program is virtually unchanged from 2005, when it totaled \$11,444,538. Overall, Intergovernmental Revenue, which also includes State aids for street reconstruction, accounts for approximately 31% of revenues. The remaining 19% of revenues will come from various other sources, as illustrated above.

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.

Fig. 4: GENERAL FUND SOURCES OF REVENUE



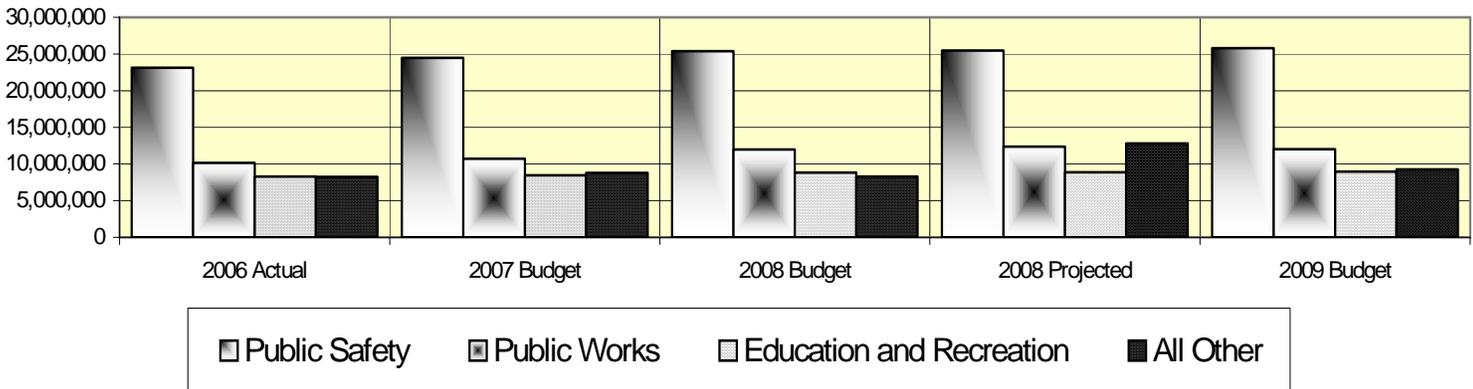
CITY OF APPLETON – 2009 BUDGET EXECUTIVE SUMMARY

Table 7: GENERAL FUND EXPENDITURES

Expenditures	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
General Government	6,286,687	6,462,941	6,816,120	8,636,988	7,777,338
Community Development	752,305	746,692	786,648	786,648	797,681
Education and Recreation	8,269,807	8,444,260	8,825,375	8,874,468	8,961,557
Public Works	10,141,186	10,703,829	11,969,703	12,381,424	12,021,451
Public Safety	23,150,045	24,461,501	25,395,527	25,500,697	25,781,046
Total Expenditures	48,600,030	50,819,223	53,793,373	56,180,225	55,339,073
Other Financing Uses	1,186,312	1,566,422	662,694	3,394,678	681,070
Total Expenditures & Other	49,786,342	52,385,645	54,456,067	59,574,903	56,020,143

The largest single expenditure for the General Fund is for public safety, which in 2008 accounts for approximately 46% of General Fund expenditures. Of that total budgeted expenditure, approximately 57% is for police protection, 38% for fire protection, and the balance for public health. The next largest portion of the budget (approximately 21%) is spent on public works, which includes street and sidewalk repair and reconstruction, traffic administration, street lighting, and snow removal. General Government and Education and Recreation expenditures account for approximately 14% and 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.

	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
The Common Council	121,658	121,730	125,587	125,587	126,693

The Common Council

The legislative powers of the City are vested in the Council with the responsibility of establishing policy, adopting an annual budget and service plan and carrying out the duties defined by State Statutes and City Ordinances.

CITY OF APPLETON – 2009 BUDGET EXECUTIVE SUMMARY

	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
The Mayor's Office	318,326	255,871	289,245	289,505	299,640

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 2007 budget reflected 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 reflected 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. There are no major changes reflected in the 2009 budget.

For 2009, this budget includes \$5,000 to assist in the continued study of the feasibility of a regional convention center.

	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
Facilities Management & Construction	0	2,100,971	2,120,420	2,120,420	2,160,887
Facilities Capital Projects	0	0	6,144,360	7,264,691	5,914,167

Facilities & Construction Management

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

Facilities management costs previously budgeted in individual departments have been consolidated within this budget, including maintenance, janitorial, lease, utilities and staffing expenses. During 2008, Facilities and Construction Management has continued to serve as the owner's representative and provided oversight of the Police Station renovation/construction project, in addition to developing a proactive Facilities Management Department with the staffing and resources that will preserve and extend the useful life of the City's facilities and comply with all relevant regulations. Major initiatives have included developing preventive maintenance plans, facility documentation, roof database, energy initiatives and deferred maintenance plans. There are no major changes for the 2009 budget.

Facilities Capital Projects

Projects planned for 2009 are:

- HVAC upgrades at Fire Station 6 and the Municipal Services Building (\$175,000);
- Installation of a new, appropriately sized generator at City Center (\$150,000);
- Architectural program design for the Library (\$75,000);
- Lighting upgrades at Parks & Recreation, the Library, and Fire Stations for energy efficiency (\$70,000);
- Police station renovation and expansion (\$5,164,167);
- Roof replacements at Fire Stations 1 and 2 (\$100,000);
- Grounds improvements at Parks & Recreation and the MSB unheated storage building (\$115,000); and

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- Security upgrades at Parks & Recreation (\$65,000).

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

	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
City Clerk	713,414	647,616	767,686	767,686	670,008

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 2009, there will be two elections, compared to four in 2008. This budget includes the upgrade of the Council Chambers' voting system (\$4,450) and installation of a suspended projector to display vote tallies and other pertinent information during deliberations (\$2,500).

	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
City Assessor	498,703	521,015	547,693	547,693	558,371

City Assessor

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

The Assessor's office completed a revaluation of all apartment buildings in the City in 2008, with all work completed in-house with no additional funding. The 2008 locally assessed value increased approximately \$113,506,000 which is an increase of 2.6% from 2007. Among other changes, this included \$94,002,500 in new construction, \$11,000,000 in apartment revaluation, \$667,600 of annexed property, \$1,086,700 of formerly tax exempt property, and \$15,021,400 in additional personal property. The increase was offset in part by a \$10,183,100 in general revaluation decreases, \$2,352,300 of now tax exempt property (including \$1,062,100 to school district and \$570,700 for religious uses), and \$1,194,600 of razing/reduced utility property.

Public relations and education regarding assessment and tax issues is another important responsibility of the Assessor, as are timely and accurate responses to requests for information from property owners and the general public regarding assessment questions. Through the Open Book process and the Board of Review, the Assessor provides a forum for individual property owners to question their property assessments and ensures that those assessments are fair and equitable. Much of the property information maintained by the Assessor's Office is available via the My.Appleton.org link from the City's website, which went on-line January 1st, 2007. Among other

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information, this site provides parcel data, building information, photos, sale prices, assessments and taxes related to City parcels.

In 2009, the Assessor's Office will review all 903 commercial parcels in the city, not including the Central Business District, which was revalued in 2007. Commercial parcels were last reviewed in 2005. The Assessor's Office will continue to reassess all property every 4 years to keep assessments near 100% of market value as required by state statutes, to maintain equity, and to provide for small increases. A major goal for 2009 & 2010 is to inspect as many as possible of the 12,006 homes (out of 22,445 to be revalued in 2010) that have not been inspected since the 1990's. Citywide inspections have not occurred since 1995, when temporary field staff was hired to inspect 12,000 homes for the 1995 revaluation. Although the Assessor continues to revalue homes every four years, periodic inspections are needed to maintain equity between valuations of individual properties, particularly older homes, where renovations or deterioration can dramatically affect the true value. The Assessor's Office is able to inspect an average of 1,300 homes per year using existing staff, in addition to the other work for which they are responsible. The City Assessor will continue to explore ways to inspect a higher percentage.

	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
Finance Department	875,442	867,829	922,287	927,276	924,868

Finance Department

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

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

In 2008, the Finance Department continued work with Official Payments Corporation on payment of City charges via the internet. The tax payment project was completed in 2006, allowing taxpayers to look up parcel numbers and select the parcel and amount of tax they wish to pay at that time. In 2007, the option of paying parking citations was added. The next major area of concentration will be city services invoices (water, sewer, stormwater, and sanitation).

There are no major changes for the 2009 Budget.

	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
Unclassified City Hall	2,236,178	2,821,646	1,904,460	6,447,063	2,968,880
Room Tax Administration	293,608	312,993	305,000	305,000	305,000
City Center Capital Projects	195,323	43,587	0	0	0

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Unclassified City Hall

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

Salary adjustments to be covered from the wage reserve in 2009 consist of cost of living adjustments for all General Fund staff, non-represented staff performance adjustments, and any unforeseen position re-evaluations (total estimated at \$1,134,055). All collective bargaining agreements lapse at the end of 2008 and are currently under negotiation. \$500,000 was carried over from 2007 to fund the 2008 wage reserve. It is estimated that there will be \$250,000 available to offset the 2009 requirements, thus the wage reserve is budgeted at \$884,055. It is essential that the Council carry over any remaining 2008 wage reserve dollars into 2009.

The balance in the contingency fund is currently \$1,447,934 which includes:

- \$243,400 of deferred revenue from Time Warner Cable. This is the portion of the settlement to support public education and government ("PEG") access purposes
- \$505,932 pending state budget biennium 2009-2011 outcome (less amount allocated for tipping fees in 2008)
- \$561,287 one percent maximum of 2009 Budget according to policy
- \$137,315 fuel contingency.

It is assumed that the Council will carry over remaining contingency account funds from 2008 to 2009, therefore there are no new funds budgeted for 2009.

Room Tax Administration

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

City Center Capital Projects

This fund provides for capital improvements to the City Center facility. Included for 2007 was one project, the replacement of the folder/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. There are no City Center capital projects planned for 2009.

	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
Technology Services	1,749,084	1,786,979	1,857,975	1,862,975	1,815,356
Technology Capital Projects	273,356	396,790	685,000	806,714	533,500

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 iSeries computer, its attendant software, and the personal computer network, including computers installed in Police and Fire vehicles. Technology Services also provides management, coordination and support for the City's Geographic Information System (GIS), telephone and voicemail systems, Internet connectivity, and the City's web pages, as well as coordination and support of various projects involving electronic technology (e.g., installation of security cameras and electronic locking systems).

Major accomplishments for 2008 include the replacement of the network core switch and completion of the remote backup system for the Storage Area Network (SAN) to virtually eliminate backup to tapes. These projects are budgeted in the Technology Capital Projects Fund described below. Also underway and expected to be completed by year-end is the upgrade of all City PCs to Windows XP and Microsoft Office 2007.

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Major projects planned for 2009 include continued development of the Geographic Information System (GIS) and continued support and development of the entire City computer network. \$75,000 was reduced from the PC upgrade budget for 2009, stretching our upgrade cycle from a previous 3 year replacement to a current 4 year cycle. Though \$75,000 is still budgeted to complete laptop and MDC upgrades, as they are generally older and in greater need of replacement, this will impact the reliability and performance of PC's available to City staff. TS staff will work to mitigate the decline in performance by moving relatively older machines to lower use areas, but this will increase the workload of Technology Services staff.

Technology Capital Projects

This fund provides for a variety of Technology capital needs. For 2009, this fund will be used to account for the next phase of the wireless broadband project (\$380,000), MS Office 2007 (\$71,500), and enhancements to the City's website (\$82,000).

	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
Human Resources	583,938	612,679	649,101	649,101	668,406
Risk Management Fund	1,145,704	1,110,642	901,505	901,505	1,073,766

Human Resources

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

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

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

The 2009 budget includes increases in consulting services (\$3,000) for general consulting, occupational health, and industrial psychologist services, and an increase of \$3,200 related to WERC filing fees for arbitrations and to labor attorney fees for contract negotiations.

Risk Management Fund

The mission of the Insurance Fund is to establish and maintain a successful risk management program, provide on-going support and training to all City departments and staff, and provide prompt and fair service to the public. To ensure that the City has sufficient insurance coverage and reserves for any type of claim and to handle all claims and potential claims involving the City, staff members focus on:

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

The 2009 budget includes an increase in consulting services (\$10,500) related to an actuarial study. The actuarial study is done every other year and was last completed in 2007. The budget also includes an increase in worker's compensation and a decrease in uninsured and auto losses based on the current seven year loss history of actual incurred losses. The accrual for incurred but not reported (IBNR) claims was adjusted in 2008 to reflect the settlement of some larger outstanding claims and improved claim trends and therefore shows a \$150,000 increase for 2009, though the actual rate of IBNR claims is not expected to change. The overall level of reserves is

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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.

	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
City Attorney	376,256	393,998	414,780	414,780	426,186
Tuchscherer Disability Trust	6,391	6,392	6,391	6,391	6,391

City Attorney

The mission of the office of the City Attorney encompasses two general areas: (1) representing the City in civil and quasi-criminal proceedings; and (2) serving as legal advisor to the City, its agencies, officials and, in some instances, its employees. More specifically, these missions include:

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

As legal advisor to the City, the office of the City Attorney prepares documents and instruments, drafts legislation, renders formal and informal legal opinions, and performs such other services as required by law. Major efforts in 2008 included work with outside counsel to prepare for mediation on the claim regarding the water plant, negotiating development agreements for the new Time Warner Cable service center on the City's south side and the RiverHeath project near Telulah Park, and work with the League of Wisconsin Municipalities and the Wisconsin Alliance of Cities on amendments to recently adopted state legislation governing cable franchises to make the legislation less onerous for municipalities. The statewide franchising bill cuts revenues from franchise fees for Appleton by between \$100,000 and \$150,000 per year.

There are no major changes to the City Attorney's budget for 2009.

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

	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
Community Development	752,305	746,692	786,648	786,648	797,681
Housing and Community Development Grants	1,755,297	1,556,991	1,326,889	1,770,180	1,303,922
Industrial Park Land Fund	852,553	211,879	696,271	947,135	243,419
Community Development Projects	0	0	1,175,000	375,000	0
TIF # 2	138,238	96,597	101,067	101,067	89,832
TIF # 3	2,028,108	2,657,924	2,251,612	2,251,612	2,272,033
TIF # 4	4,195,067	1,532,470	1,744,032	1,834,032	775,087
TIF # 5	101,981	103,482	188,703	188,703	161,985
TIF # 6	4,007,308	3,453,686	3,475,155	3,482,453	3,917,454

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	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
TIF # 7	0	0	447,000	0	124,454
TIF # 8	0	0	0	0	34,761
Prior period projects:					
Residential Project	1,129,216	286,095	0	0	0
TIF # 1 (closed 2008)	2,003,282	237,165	5,400	(9,214)	0

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

Community Development Department

Planning Activities

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

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

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

In 2008, staff continued to update the zoning ordinance and worked with the Technology Services department and City Assessor to provide zoning information to the public via the City's website. Work also continues on the update of the Smart Growth Comprehensive Plan in order to meet the January 1, 2010 deadline. For 2008, all consulting work on the Plan was funded by the Community Development Capital Projects fund described below. Department staff will continue the work in-house in 2009.

Economic Development Activities

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

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require the involvement of residential and corporate citizens to produce the safest, strongest, most stable, cohesive, and livable residential environments.

In 2008, staff worked with other departments, notably the City Attorney and Finance, on plans to create Tax Increment Financing District (TIF) # 8, described below.

There are no major changes to the Community Development department's budget for 2009.

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 / Transitional Housing Program / Homeless Prevention Program (ESG/THP/HPP)
 - 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

There are no major changes to this budget for 2009.

TIF District # 2

This program accounts for the receipt of district "incremental" property taxes and other revenues, along with the corresponding program expenditures. TIF #2 includes most of the area within the "Industrial Flats," from Lawe Street to Memorial Drive and from South River Street to Water Street. Primary projects include the Historic Fox River Mills apartment conversion and Vulcan Heritage Park development projects. May 1, 2001 was the final date by which Appleton could make expenditures within this District and recover them with tax increment revenues, per state statute. TIF 2 will pay \$315,000 interest on advances from the General Fund made during the early years of the district.

TIF District # 3 - Downtown

Tax Incremental District #3 includes the area bounded by Richmond and Durkee Streets, from the County Courthouse to the Morgan Alternative High School. Primary projects include the Washington and East Parking Ramps, the Paper Valley Hotel expansion, the Evans Title building, Crescent Place, and the Richmond Terrace building. November 4, 2003 was the final date by which Appleton could make expenditures within this District and recover them with tax increment revenues, per state statute. In 2009, TIF district 3 will pay \$2,000,000 in interest on advances from the General Fund made during the early years of the district.

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 but recent changes to the state statute governing TIF districts has extended the expenditure period. \$670,012 of additional infrastructure capital expenditures will occur in 2009.

TIF District # 5 - West Wisconsin Avenue

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

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There are no infrastructure or development projects planned for TIF # 5 in 2009. TIF district 5 will pay \$80,000 in interest on advances from the General Fund made during the early years of the district.

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 2009 Budget provides funding for maintenance and marketing of property (\$83,415) and for infrastructure development within the TIF district (\$1,083,679). The balance of the budgeted expenses for this fund are for debt service on the money borrowed to finance capital investments.

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

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

The 2009 Budget provides funding for revitalization grants and related planning (\$49,000).

TIF District # 8 – East Riverfront Development

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

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

The year 2009 Budget provides funding for infrastructure development within the TIF district (\$34,761).

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 2009 budget includes \$10,800 in funds for maintenance and marketing of the remaining 18 acres of land in the City's Northeast Business Park, including weed cutting, berm maintenance, soil testing, environmental reviews, surveys, real estate commissions, title insurance, and other costs associated with selling land. It also includes \$37,509 in non-TIF infrastructure construction related to the further development of Southpoint Commerce Park.

Community Development Capital Projects

This fund provides for a variety of community development investments.

The 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.,

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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 are included in proposed TIF district # 8 for future redevelopment.

During 2008, Community Development staff obtained a \$30,000 brownfields grant from the Wisconsin Department of Natural Resources (DNR) for environmental remediation at the Eagle Plastics site in a largely residential neighborhood. The grant will be administered by the Appleton Redevelopment Authority (ARA), which also has a first option for the next five years to acquire the property for redevelopment when Eagle Plastics moves to the new site it has purchased in the City's Northeast Industrial Park.

The 2008 budget is for acquisition of other redevelopment sites as they may become available; there are no projects planned for 2009.

RECREATION / LIBRARY / TRANSIT

	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
Library	3,996,448	4,127,551	4,303,161	4,329,761	4,357,424
Library Capital Projects	0	167,625	25,000	122,875	0
Frank P. Young Memorial	1,000	550	588	588	550

Library

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

2008 accomplishments have included:

- Increased library utilization over 2007 – circulation up 8%, inter-library loans to other libraries up 11% and from other libraries up 15%, and door count up 4%
- Increased volunteer hours by 26% over 2007
- Completed library utilization/space needs study, including two community surveys, ten interviews, eight focus groups and two public meetings; as the first step in developing a plan for meeting the space needs of the library; the recommendation resulting from the study is to construct a new library
- Made improvements to the existing building through improvements in signage, the addition of specialized media collection shelving to increase space for the library's holdings, and, through the Facilities Management Department, completed installation of a new chiller for the HVAC system.

Major 2009 objectives include:

- Continue cooperation with schools & other community organizations
- Work with the Facilities and Construction Management department on architectural program design for a potential new library structure, providing more detail on space needs, spatial relationships, and costs (study budgeted in Facilities Capital Project Fund above)
- Continue to explore ways to utilize volunteers more effectively
- Use new technologies for increased productivity
- Explore revisions to website and online service delivery
- Maintain the high quality library services to which residents are entitled, including circulation, collection development, cataloging, reference & readers' advisory, programs, electronic services, public meetings, etc.

The 2009 budget includes deferring replacement of one reader/printer machine (\$12,000) due to budget constraints, increased maintenance expense for the five self-check units now in use, a reduction in maintenance charges from the Facilities department (\$13,079), based on experience in 2007 and thus far in 2008, and an increase in PC and network equipment replacements and software purchases (approximately \$9,000) related to the new internet printing and photocopy system that replaces the current honor system. An increase in revenue of \$12,500 is also included.

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Library Capital Projects

This fund is used to account for various Library capital projects. There are no projects proposed for this fund for 2009.

Frank P. Young Memorial

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

	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
Parks and Recreation	4,273,359	4,316,709	4,522,214	4,544,707	4,604,133
Forestry	26,437	19,569	25,000	25,000	25,000
Peabody Estate Trust	0	0	0	0	0
Balliet Locomotive Trust	0	0	300	300	300
Lutz Park Recreational Trust	7,858	376,870	0	721,115	75,000
Park Open Space Fund	138,167	10,735	45,000	45,000	107,000
Union Spring Park	0	1,355	500	500	1,869
Universal Playground	531	0	2,000	2,000	3,000
City Park Project	0	0	0	0	500
Parks and Recreation Capital Projects	596,541	748,997	1,255,000	2,757,320	0
Reid Municipal Golf Course	593,659	625,906	588,296	588,296	571,733

Parks and Recreation Department

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

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

The 2009 budget reflects the following:

- The reduction (\$1,092) of umpires for the T-ball program - Because of the nature of this program, much of the supervision is handled by the coaches. General program supervision would be provided by an Activity Coordinator.
- The elimination (\$4,487) of the Camp coordinator - Daily supervision of the day camp program is currently provided by an Activity Coordinator. These duties would be transferred to the Activity Coordinators who supervise the playground program.
- A reduction (\$5,222) in scorekeepers for adult softball - This would reduce the scorekeepers by approx. 50% for the "less competitive" leagues. The scoreboards have remote controllers that can be operated by a team manager or umpire.
- A reduction (\$6,567) in open swim staff - The budget has previously included staffing for 100% operation of the pools for the season. This reduction takes into consideration that the pools are closed from time to time due to inclement weather and will be closed during the Badger State Summer Games, as well as a one week extension of the Erb Pool swim season.

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Forestry

The purpose of this fund is to account for City efforts to promote and preserve Appleton's urban forest. There are no major changes to this program for 2009.

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 projects are scheduled for 2009.

Balliet Locomotive Trust

To account for moneys provided by private donations to finance the maintenance of a locomotive located in Telulah Park and the corresponding expenditures for such purposes.

Lutz Park Recreational Trust

To account for moneys received from private donations to finance the construction and preservation of the recreational facilities at Lutz Park, and the corresponding expenditures for such purposes.

Renovations to the boat launch, shoreline stabilization, and work on the bathroom facilities are expected to be completed in 2008. Part of this work will be paid for from a \$285,015 grant from the state Department of Natural Resources awarded in 2006 for work on the boat landing and shoreline restoration. In 2009, an open air gazebo will be constructed near the fishing pier, providing a focal point for the park and recognition of the Lutz family for their support of the park. This project will be paid for by donations received from the Lutz family for that purpose.

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 2008, it will be used for the final development of walkways and lighting in Providence Park. In 2009, 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. A major project is planned for 2009 to eliminate the well and provide City water at that site. The continued operation of the well creates safety challenges for the City and its elimination will minimize future costs and risks.

Project City Park

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

Universal Playground

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

Park and Recreation Projects

This fund provides for a variety of Parks and Recreation capital needs. Due to the current state of the economy, all quality of life capital enhancements planned for 2009 have been delayed for one year. The \$10,000 budgeted for 2009 is for design services for Houdini Plaza, to address coordination of planning efforts between that area and Soldiers' Square.

Reid Municipal Golf Course

The mission of the Reid Municipal Golf Course is to provide quality public golf opportunities and to generate sufficient earnings to fund the operation of the course and a long-term plan of capital improvements according to generally accepted enterprise fund policies and procedures.

The customer service operations are provided by a contractor under a management agreement with the City. The contractor is responsible for all daily customer service operations, including all concessions and the pro shop, while the Parks and Recreation Department retains responsibility for course maintenance and capital improvements.

The average number of rounds played at Reid Golf Course continues to remain the same or slightly lower than previous years. This trend is consistent with national and local trends. Reductions in various operating expenses

CITY OF APPLETON – 2009 BUDGET EXECUTIVE SUMMARY

have been made in an attempt to bring the expenditure budget in line with anticipated revenues. The major change for 2009 is the reduction of the Superintendent's position (\$31,797) to address declining participation levels, its impact on revenues, and the ability of the golf course to sustain itself as an enterprise fund.

	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
Valley Transit	6,854,026	7,337,488	7,635,712	7,635,712	8,443,306

Valley Transit

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

Bus ridership through July 2008 was up 6.8% over the same period in 2007 and farebox revenue was up 10%. Contributing factors are the significant increase in the cost of fuel and the resulting publicity for Valley Transit as an alternative to driving and ongoing marketing and communication efforts.

Major 2009 objectives include:

- Continue the work of the RTA (Regional Transit Authority) Study Committee. The study committee is focusing on alternatives and options to deal with the loss of federal funding that will occur after the 2010 census, when the urbanized area population is expected to exceed the 200,000 resident threshold;
- Continue to strengthen partnerships with community organizations;
- Write a strategic plan using the data from the non-rider market research study conducted in the first quarter of 2008, as well as discussions with city and community leaders about the direction transit needs to take to respond to the changing transportation needs in the Fox Cities. The plan will include a funding strategy to deal with the potential shortfall of federal funding as a result of the 2010 census;
- Continue to review the operation to determine if there are ways to streamline or modify operations and procedures to increase effectiveness and efficiency of delivering transit services to the public; and
- Continue to focus marketing/communication efforts on both increasing ridership and revenue for the system.

The budget for 2009 reflects the following:

- An increase in projected fuel costs, from \$2.62 per gallon to \$3.61, based on current usage and overall projections;
- Given the increase in operating expenses, primarily fuel for the fixed route portion, and a decline in the percentage of state and federal support, this budget includes an increase of cash fares from \$1.50 to \$1.80 per ride, but also an increased incentive to purchase 10-ride or 30-day passes by making them less expensive relative to the cash fare. The last fare increase was in 2005. Ridership is projected to increase 2%. In addition to the fare increase, the authority would be granted to implement an additional \$0.20 cash fare increase in July 2009, if Valley Transit's average cost of fuel in the first six months of 2009 exceeds the budgeted amount of \$3.61/gallon.
- The continuation of the Appleton Downtown trolley and The Connector (formerly United Way Call-A-Ride) services. The local share of the trolley is funded by Appleton Downtown, Inc. The local share of The Connector is funded primarily by United Way with additional funding provided by Thrivent Financial for Lutherans Foundation and several other local granting agencies. All other costs for both programs are funded by federal and state grants.

PUBLIC WORKS

	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
Public Works	10,141,186	10,703,829	11,969,703	12,381,424	12,021,451
Sanitation	3,094,984	3,190,500	3,327,695	3,518,195	3,311,893
Safe Routes to Schools grant	0	0	0	0	121,426
Subdivision	1,726,072	2,053,092	2,090,750	2,050,000	2,295,713
Public Works Capital Projects	510,411	620,387	440,582	1,734,725	5,100,530

**CITY OF APPLETON – 2009 BUDGET
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	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
Parking	2,768,120	2,797,766	2,914,612	2,937,077	3,064,987
CEA	3,900,837	4,157,131	4,251,950	4,253,204	4,742,072
CEA Replacement	2,017,730	2,506,099	1,920,773	1,920,773	2,134,265

Public Works

Capital projects are identified based on age and condition and are prioritized and coordinated with capital projects for all infrastructure to minimize inconvenience to the users and manage costs. A programmed growth and replacement schedule is established to minimize budgetary fluctuations.

Programs of the department which fall under other funding sources include the Stormwater Utility, the water distribution meter program and water main maintenance within the Water Utility, sanitary sewer maintenance within the Wastewater Utility, and new street and sidewalk construction in various TIF districts and the Industrial Park Land Fund.

The 2009 budget reflects the following reductions from the departmental request to meet levy constraints:

- Deferral of concrete reconstruction on Durkee Street between Franklin and North Streets (\$110,821) and on Washington Street between Bennett and Story Streets (\$31,009) has been deferred for one year; and
- General sidewalk construction has been reduced (\$10,000) and retaining wall construction on Water Street (\$40,000) deferred one year to meet levy constraints

Other significant items reflected in the 2009 budget are as follows:

- Funding for Appleton’s portion of the Fox Cities Wayfinding signage program (\$50,800), partially offset by a \$25,400 grant from the Fox Cities Convention and Visitors Bureau;
- Purchase of a dedicated barricade trailer and supplies (barricades, cones, flashers, etc., total cost \$7,400) to speed delivery of barricades to the site of an emergency;
- Addition of an epoxy patch machine for street repair (\$60,000), paid for by a portion of the accumulated replacement reserve for the front-load refuse truck in the Sanitation fund that will not be replaced (see below); and
- Installation of two additional street lights between the east curb and sidewalk of Division Street, between College Avenue and the Washington Street parking ramp, as a way of curbing illegal activity currently taking place in this area.

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 2009 budget reflects the following changes:

- Elimination of the commercial front load refuse pickup service; this is a service that is readily available privately and its elimination reduces operating expenses by \$270,992 and 1 FTE equipment operator, though it also reduces revenues by \$142,000;
- The change to semi-weekly pickup of bulky overflow items (\$35,000), adopted by Council in September 2008; and
- a reduction in purchases of new automated trash cans (\$6,300) due to the slower growth in new home construction.

The Department has also recently been notified by Outagamie County of a proposed \$1 per ton increase in tipping fees. This budget does not include that potential increase. If approved, it is expected the contingency fund would be utilized, similar to 2008.

CITY OF APPLETON – 2009 BUDGET EXECUTIVE SUMMARY

Safe Routes to Schools grant

This is a new program in 2009 and includes two competitive grants awarded by the State of Wisconsin, the Safe Routes to Schools grant and the On-Street Bicycle Lane Plan grant. The Safe Routes to Schools grant is for \$71,426 and does not require a match. The Bike Lane grant is funding for 80% of a \$50,000 project, with the required 20% match (\$10,000) coming from property taxes.

Subdivision

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

Effective January 1, 2004, the City no longer advances money for new subdivision development. The developer is required to obtain an irrevocable line of credit from which the City will have exclusive rights to draw all applicable costs. Upon completion of contracts and any other outstanding issues, the City will release the line. The 2009 budget includes \$122,570 for those costs that will be drawn from developers' lines of credit. For ease of administration, all other expenditures in this budget will be administered by the City for immediate reimbursement by the developer, versus direct payment from the line of credit to the vendor.

The 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 2009, this fund will be used to account for:

- The City's portion of the cost of replacing the College Avenue bridge (\$4,754,730),
- the purchase of a Robotic Total Station for survey work (\$40,000), improving both accuracy and efficiency and, under certain conditions, enabling a surveyor to work single-handedly,
- the first phase of a major traffic sign replacement project (\$170,800) to address substandard levels of reflectivity of existing signs and partially reimbursed by a \$128,100 grant, and .
- various traffic signal improvements, including expansion of the traffic communications grid (\$30,000), replacement of the Traffic Operation Center's software (\$65,000), and safety and operations improvements to the traffic signal at the Badger / Mason / Packard Streets intersection (\$40,000).

Parking Utility

The Parking Utility implements and administers the adopted parking policies, maintains a clean, reliable on- and off- street parking system, collects and processes revenues, and enforces City parking ordinances and state statutes to ensure compliance for safety and facilitate availability of parking spaces. Rates are established to maintain the financial solvency of the Parking Utility and its independence from City tax levy funding. Significant accomplishments in 2008 include the installation of pre-paid card compatible meter mechanisms on College Avenue. The 2009 budget includes \$75,000 for structural maintenance and repairs to parking ramps, as recommended by the structural engineering consultant's report, \$25,000 for installation of security cameras at ramp entrances and exits, part of the City's overall multi-year security upgrade efforts, \$40,000 for a structural analysis of all four parking ramps, planned to be done on a three-year cycle beginning in 2009, and \$28,600 for replacements / upgrades of ramp entry machines.

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 2009 budget again reflects fuel price increases (approximately \$9,200 over the 2008 adopted budget). Unleaded and diesel fuel is budgeted at \$3.37 and \$3.92 per gallon, respectively, versus \$2.75 and \$2.62 per gallon in 2008. This budget also includes the transfer of \$175,000 from the sale of used vehicles to the CEA Replacement Fund. The model used for accumulating replacement proceeds has always included the residual

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value of the old vehicle but, in past years, the actual proceeds were recorded in this budget. This annual transfer will help correct this inequity.

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

	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
Health Services	1,101,359	1,110,238	1,169,307	1,173,926	1,165,313
Health Services Grants	598,161	556,010	478,336	351,105	348,545

Health Services

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

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

Through the environmental health program, the department works to prevent the occurrence and spread of disease in the community through regulating and inspecting public eating/drinking establishments, retail food establishments, recreational facilities, and body art establishments. The department’s environmental health staff also assesses, consults, and works to correct human health hazards including lead paint, solid waste, housing 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 2009 Budget reflects the continuation of a program begun in mid-2003 of providing weights and measures certification services to surrounding communities. The communities are charged a fee that offsets the additional cost of staff time to provide the service. Eight area communities now participate in the program, purchasing a total of 149 days of certification services, compared to 136 days in 2008, and 77 days in 2004, the first full year of the program. The rate for these services is \$443 per day.

The 2008 Budget included the early hire of a replacement for the retiring City Sealer and the planned re-hiring of the Sealer as a part-time employee at approximately 10 hours per week. For 2009, the budget reflects a restructuring of this area of this department resulting from an Environmentalist position coming vacant. This position had provided .7 FTE in weights and measures services and .3 FTE environmental health. The restructuring will now provide for a new weights and measures specialist on staff, resulting in a more focused team and net annual wage savings to the City of approximately \$4,700.

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.

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Early and frequent nursing intervention has been documented in research studies to positively impact the outcome of parenting and child development. In 2009, this program will provide approximately 10 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 1,500 children in 2006, over 1,800 in 2007, and is expected to serve approximately 1,300 in 2008.
- Prevention Grant - Funding from this grant in 2006 supported a Community Needs Assessment (Behavioral Risk Factor Surveillance System in the Fox Cities), which was utilized in the Fox Cities 2006 LIFE (Local Indicators For Excellence) study, and in 2007 and 2008 supported the Walk to Win campaign to encourage regular exercise. The grant will again support the Walk to Win campaign in 2009.
- 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. 2009 reflects lower funding levels for the consorial activities previously funded, as the State of Wisconsin has redirected its funding efforts to individual health departments rather than to consortia of multiple departments.

	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
Police	13,338,793	13,947,907	14,479,092	14,555,612	14,804,519
Police Grants	5,065	0	20,000	64,584	0
Public Safety Capital Projects	1,441,934	682,470	757,500	1,856,844	347,500

Police

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

Significant events in 2008 include:

- Implementation, in collaboration with other law enforcement agencies in Outagamie and Calumet Counties, of a new records management system, VisionAir, for managing police field reports;
- Start of construction on the expansion/renovation of the Police station (budgeted in the Facilities Capital Projects fund above and under the direction of the Facilities department); some functions, such as vehicle maintenance, have been moved to other locations for the duration of construction;
- Expansion of the Canine Program begun in 2007, with the addition of a second dog; and
- Start of a trial period for a merger between the Appleton and Grand Chute Police Departments. In 2008, an Appleton Deputy Police Chief was assigned to oversee the activities of the Grand Chute Police Department as

CITY OF APPLETON – 2009 BUDGET EXECUTIVE SUMMARY

the two departments work towards a merger. A decision will be made in 2009 by both Appleton and Grand Chute as to whether to proceed with the merger after the initial trial period.

Specific objectives for 2009 include:

- Implementing field base reporting (FBR) module of the new records management system, which will allow officers to electronically complete incident reports in the squad cars and transfer the information via the wireless network;
- Continuing to work on implementation of the TraCS program, part of which is dependent on the State of Wisconsin's progress in writing the necessary software interfaces; and
- Completion of the Police station expansion / renovation project.

The 2009 Budget includes:

- An increase in personnel expense due to the addition of a third Deputy Chief position dealing with the merger with the Grand Chute Police Department (offset by a payment of \$129,512 from the Town of Grand Chute);
- An increase in vehicle cost (\$115,150), largely due to increased fuel costs; and
- Conversion of a sworn Officer position to a Captain's position for the Southern patrol district (\$20,965), anticipated for April 2009. This is a re-establishment of a Captain's position that was eliminated in 2005 when it was converted to an Officer's position to help fill vacancies at the time.

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 2008 Budget of \$82,643 represented revenues and expenditures associated with a grant from the State of Wisconsin to assist the Police department to implement the TraCS mobile interface, which will allow officers to complete a traffic accident report, traffic citations and warning tickets using the Mobile Data Computer (\$20,000), a grant from the Wisconsin Department of Transportation for alcohol enforcement (\$18,000), and two grants from the Wisconsin Office of Justice Assistance for replacement of a digital fingerprint system (\$21,500) and purchase of digital recorders for interrogations (\$23,143). There are no grants currently planned for 2009.

Public Safety Capital Projects

This fund provides for a variety of Public Safety capital needs. For 2009, this fund will be used to account for replacement of all Police patrol portable radios with units meeting the recently developed P25 standard for communication between emergency responders (\$307,500) and for acquisition of specialized emergency rescue / extraction equipment for the Fire Department. In 2007, this fund included expenditures on the police station renovation. Beginning in 2008, these expenses have been recorded in the Facilities Capital Projects Fund.

	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
Fire	8,709,893	9,403,356	9,747,128	9,771,159	9,811,214
HazMat Level A	131,247	119,997	85,601	107,087	85,601

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 2008 include:

- Reallocation of staff to south of the Fox River to compensate for the removal of the College Avenue bridge route to the southside; staffing levels will be monitored throughout the construction period of the bridge;
- Delivery of one of three response vehicles on order – the other two are expected to be delivered late in the year or in early 2009;
- Formal discussion with the Neenah-Menasha Fire and Rescue Department regarding potential automatic aid agreements and / or consolidation opportunities.

In 2009 the Appleton Fire Department will strive to meet the City of Appleton's goals by:

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- 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 2009 Budget includes :

- A reduction in the car seat program (\$2,275) – two of fifteen currently certified employees will maintain certification;
- An increase in vehicle maintenance and repair cost related to the needed replacement of the rear suspension unit of the Quint (\$9,600).

Haz-Mat Level A

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

There are no major changes to the HazMat grant for 2009.

DEBT SERVICE

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

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

Debt Service Funds	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
Debt Service Funds	11,320,690	9,002,071	7,814,030	7,814,030	8,308,066

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.

	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
Water Utility	14,797,730	15,539,650	16,972,991	16,805,620	18,115,169

Water Utility

The City of Appleton Water Treatment Plant provides the community with safe, high quality water in a consistent and cost effective manner utilizing the full potential of our highly motivated, technically skilled staff.

The Department of Public Works portion of the Water Utility is divided into three components, Customer Service, Operations and Maintenance, and Capital Projects. Capital Projects includes identifying, planning, designing, and constructing replacements for failing and inadequate transmission mains, hydrants, and services to reduce system failures and expand the existing water distribution system to accommodate growth areas. Operations and

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Maintenance includes preventive maintenance and general upkeep of the distribution pipelines, including transmission mains, hydrants, and valves to keep the system operating, reduce treated water loss, and comply with Public Service Commission (PSC) requirements. Customer Service activities include taking quarterly readings of all water meters and testing, repairing, and replacing meters to ensure accurate and fair billing for water usage.

The 2009 Budget for treatment operations includes the following:

- \$25,000 for consulting fees and PSC charges related to the rate study begun in 2008;
- \$10,000 in fees to the PSC and \$15,000 in consulting fees related to the rate study; due to continued capital construction at the Water Treatment Plant, increased cost of operations and the PSC disallowing a two-step approach, the City will need to file rate increases annually incurring costs from consultants, the Public Service Commission and internal staff time;
- The budget for chemicals (an increase of approximately \$63,000) reflects an industry-wide cost increase of approximately 31%;
- The treatment operations budget includes the first year of a four year project to complete maintenance painting of the softener basins, as well as basin cleaning.

The budget for distribution reflects the reduction of the Water Construction Crew by .5 FTE as approved by Council in May 2008. The reduction was made after a vacancy occurred and work process changes, such as throttling down the water main during some breaks, allowing for reducing the standard crew size, were analyzed. These reductions in service timeliness are acceptable compromises to implement cost savings. This .5 FTE Construction and Maintenance position was moved to the labor pool within the Sanitation Division as a Laborer to provide more flexibility within Public Works, which is responsible for the distribution system.

In addition to funding for various necessary distribution infrastructure capital improvements (\$6,291,904), the 2009 Budget also includes the following capital expenditures:

- \$1,640,000 for an expansion of the water plant's capacity,
- \$ 570,000 for improvements to the water intake site on Lake Winnebago,
- \$ 500,000 for pipe replacement due to corrosion,
- \$ 50,000 for planning for the second phase of a project to build a redundant raw water intake,
- \$ 30,000 for planning for improvements to the potassium permanganate storage facility at the water intake station.

Preliminary results of the 2008 rate study are a 6% increase expected to be implemented prior to this fall. Due to continued capital construction at the Water Treatment Plant, increased cost of operations and the PSC disallowing a two-step approach, the City will need to file rate increases annually, incurring costs from consultants, the Public Service Commission and internal staff time.

	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
Wastewater Utility	10,515,556	10,977,326	11,061,716	10,855,478	11,716,985

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 2009 Budget includes funding for various necessary capital improvements in both treatment and collection systems. In addition to \$3,899,674 of infrastructure construction projects, the 2009 Budget includes the following:

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- \$800,000 for purchase and installation of variable frequency drive motors on the blowers that aerate the 5 million gallon aeration tanks in the activated sludge process; this is expected to reduce energy consumption by as much as 40% for these motors;
- \$ 75,000 for a study of various sludge storage options, including composting, needed to address the volume of sludge generated by the utility;
- \$500,000 for equipment and its installation to utilize the waste gas generated by the utility, the specific utilization is dependant on the results of a study of the gas and its properties that is due by the end of 2009;
- \$120,000 for replacement of the roof on buildings A, T, H, J, and F1.

The budget also reflects the following operating changes:

- An increase in Bank Services expense for Official Payments' (the City's vendor for internet payment services) set-up fees for on-line credit card payments;
- \$20,000 for repair of Sludge Storage Tank #1, begun in 2008, this is the first part of the 3-year project to provide maintenance to the digester system; the gas held in this tank is also being considered for beneficial use as part of the Waste Gas Utilization Study;
- \$347,500 for repair and maintenance of primary digester #1; this project was originally intended for 2008 but replacement of barscreen # 3 in the treatment flow and some new pipe fittings in the digester, plus high-rate maintenance flushing of the digester, have permitted delaying the project;
- An increase of approximately \$50,000 for land application and hauling biosolids; the capital project listed above regarding sludge storage options will include analysis of various alternatives; and
- A reallocation of sewer crew labor, resulting in a 1 FTE increase (\$61,150) in the number of employees allocated to this budget.

Due to increasing maintenance and repair costs and the need to meet debt coverage ratios, the Wastewater Utility will conduct a rate study in 2009. Initial projections indicate a rate increase of approximately 6% will be needed in 2009. The last rate increase was 14-16% for most customers and became effective 10/1/2005.

	2006 Actual	2007 Actual	2008 Budget	2008 Projected	2009 Budget
Stormwater Utility	4,689,486	5,008,043	4,960,530	5,159,788	5,580,739

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 2009 Budget provides funding for various necessary infrastructure capital improvements (\$6,823,311) to continue our efforts in the ever-increasing management of stormwater in the city, fulfill our obligations under Natural Resources Regulations 151 and 216 (NR 151 & 216, respectively), and control flooding. Major projects include storm construction of the Conkey stormwater detention pond and completion of the Memorial Park South Pond; all construction that contributes towards the City-wide stormwater management plan. This budget also includes \$60,000 for the purchase of a high efficiency street sweeper. An existing sweeper is due for replacement and this amount represents the difference between a straight replacement with a like sweeper and the proposed upgrade to a high efficiency vacuum sweeper. \$240,000 in grants from the DNR have been awarded in support of various of these projects. This budget also reflects a reallocation of the sewer crews' labor between Stormwater and Wastewater, with the allocation to Stormwater being reduced 1 FTE (\$61,150) to better reflect the actual workload. It also includes an additional Equipment Operator 1 position (\$58,000) to reduce the Utility's reliance on outside contractors for major Stormwater facilities' maintenance projects and to increase the amount and timeliness of routine maintenance.