

City of Appleton, Wisconsin



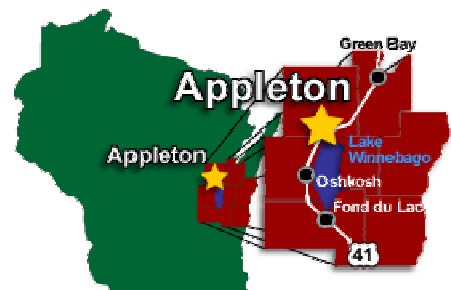
2014 ADOPTED BUDGET AND SERVICE PLAN

EXECUTIVE SUMMARY

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





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

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December 18, 2013

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

Dear Appletonians:

I present to you the 2014 Adopted Budget and Service plan, including the five-year Capital Improvement Plan. As we created this plan, our goal was to provide a balanced budget to you that continues to allow for high-quality, efficient service with minimal impact to property taxpayers, despite ongoing economic challenges at the national, State, regional and local level.

While there were no significant changes in 2013 that have influenced our budgeting process as in previous years (e.g., Act 10 influence on the 2012 Budget), it remains a challenge to create and sustain a balanced budget in tough fiscal times. We continue to face flat property values and declining State aid, all while feeling the pressure of rising costs that are beyond our control (e.g., commodity costs such as fuel). We also face a continual need to adapt to the changing world around us and within our organization so we can strategically plan for the long-term success of our organization and our community.

CHANGING WORKFORCE

One area that we know will change in the future is the face of our organization. During the next 10 years, more than 40% of our workforce will be retirement-eligible, which will leave large "gaps" in talent that we will have to fill in the near future. Our challenge will mirror what is happening in the world around us as millions of baby boomers start to exit the workforce. As a result, we will become part of the "war for talent" to find and promote the best and brightest employees of the future. The Appleton Common Council has just recently adopted a new job classification and pay structure and, to help us remain competitive, I have added a two percent increase for those employees who are not under a current collective bargaining agreement (note: these employees received a one percent pay raise in 2013 but had not received a wage increase in the previous two years). The new pay structure covers all employees not represented by collective bargaining agreements, so the plan includes those employees who had been represented by the various bargaining groups prior to Act 10. In addition, the new pay plan is a pay-for-performance compensation system under which employees who exceed or substantially exceed their goals will receive performance adjustments, either paid in a lump sum or as an addition to the base pay for the employee, depending on where the individual falls in his or her pay grade.

In the larger statewide picture, the pay increase will also help offset the loss in employee take-home pay in 2014, due to the increase in statutorily-required contributions to the Wisconsin Retirement System (WRS) pension fund. The WRS rates for 2014 are as follows:

- General 14.0% (current rate 13.3%)
- Elected 15.5% (current rate 14.0%)
- Protective with SS 17.1% (current rate 16.4%)
- Protective without SS 20.7% (current rate 19.0%)

Since all employees other than protective service and Valley Transit are required by Act 10 to pay 50% of the retirement contribution, increases in WRS contribution rates directly reduce employee take-home pay, which in turn could affect our long-term competitive advantage as the talent war ensues.

COMMUNICATIONS

In an effort to meet our key strategy of effective communications, I have added a full time Communications Coordinator in the Mayor's Office. Our citizens receive the information they need and want in many different ways and the City needs to keep up with the use of new and emerging technology. Relying on a dispersed, departmental approach to communication does not provide consistent messages to our citizens from City Hall. This new position will be tasked with strategic communication support for the City. Specifically, I envision this position working on proactive communication with the public through the coordinated use of the City's website, social media and other new technology. This position would assist all departments in their communication efforts.

TEMPORARY HELP REQUESTS

In the 2013 budget, I allocated \$30,000 in the Human Resources (HR) Department budget to respond to multiple departmental requests for temporary help. Since HR is in the best position to determine what resources are available at any given time, this enabled us to study the need further. In the 2014 budget, I have eliminated the part time staff dollars in HR and included temporary help dollars in Fire and Utilities and have added a half-time clerical position to the fifth floor customer service team.

CAPITAL PLANNING

Over the last few years there have been, and continue to be, discussions about significant changes in our downtown. Specifically these discussions have centered on the replacement of the Blue Parking Ramp, either a new Library or addition to our existing Library, as well as the potential relocation of City Hall. These projects are presented in the 2014 Budget under a new Capital Improvement Project (CIP) titled Washington Square. While any one of these projects has significant costs, together the costs soar to potentially over \$50,000,000! The City Council decided in 2011 that the Blue Parking Ramp would be replaced by 2020. We cannot remove the parking currently provided in the Blue Ramp without first having a replacement for those spots. The Washington Square CIP includes \$140,000 in 2014 for analysis of the Blue Ramp and planning for its replacement. The significant expenditures in the future years of this CIP are a signal that we need to begin to make some long-term decisions about the future of this area of our downtown.

DEBT SERVICE

The City issued no general obligation debt in both 2010 and 2011 and delayed borrowing for 2013 due to timing on several projects. This has allowed the City to use tax levy dollars for operations that would have been used for debt service. In the 2014 budget, the levy for debt service, at \$2,825,388, is at its lowest level since 2006. We anticipate borrowing in 2014 for both 2013 and 2014 capital projects. Combing projects in a single debt issue helps to minimize debt issuance expense and will delay the increase in the levy needed for overall debt service to 2015.

CARRYOVER FUNDS

This 2014 proposed budget also includes a number of requests to carryover anticipated unused funds in 2013 to fund specific items in 2014, as follows:

- As mentioned earlier, the 2014 budget includes a 2% cost of living increase for all employees not covered by collective bargaining agreements. Employees may also earn an additional amount for exceeding their goals or for exceptional performance. The total cost of the increases for the general fund is planned to come from the existing balance in the wage reserve contingency fund (\$148,370), which will again be requested to be carried over to 2014 for this purpose and for other unanticipated changes, such as changes in individuals' health insurance plan status.
- \$95,763 of available 2013 fund balance is intended to be used for one additional entry level Police Officer.
- \$22,200 of the reserve established from the settlement with Time Warner Cable will be used for the annual software maintenance charge for the recording system that has been installed in the Council Chambers. This system both streamlines the preparation of documents (i.e., agendas, minutes and reports) and makes audio and video recordings of committee and Council meetings available to the public.
- A total of \$237,333 of the reserve for reductions in State Aids is planned to be used.
- All unused contingency funds in the Unclassified section of the budget will be carried over from 2013 to 2014. Therefore, no new contingency funds are budgeted in 2014. Anticipated balances in our contingency funds after the uses detailed above are estimated to be:

Time Warner Cable PEG Access Settlement Funds	\$99,631
State Aid Contingency	\$849,107
General Contingency (will carryover whatever final balance is)	\$697,096
Fuel Contingency	\$137,315
Wage Reserve	\$148,370

COMMUNITY AND ECONOMIC DEVELOPMENT

This budget includes \$72,000, based on a contribution rate of \$1 per capita, to participate in the Fox Cities Regional Partnership (formerly the Ignite Fox Cities campaign). Additionally, the Community and Economic Development Department will begin implementation of the Economic Development Strategic Plan for the City that has been under development (\$30,000 for consulting). Capital budget items include:

- Exhibition Center – \$2,773,356 in support of the community's efforts to build an exhibition center in downtown Appleton. City participation will include land acquisition and infrastructure improvements. The proposed center will house 30,000 - 35,000 sq. ft. of exhibition space and is projected to generate \$8.4 million per year in economic activity. It is important that we continue to move forward with this project in order to provide a full service convention center that will attract commerce and trade shows, positioning the Fox Cities as a top tier Midwest destination for regional conventions.

This project was included in the 2013 budget but has not been able to move forward due to the uncertain status of the Radisson Paper Valley Hotel, which will bear the cost of operating the facility. The hotel fell into receivership after adoption of the 2013 budget but negotiations have continued with the hotel's management and new owners, both of whom are committed to the success of this project.

- Industrial and Business Park Development – Funds are included for maintenance, marketing and miscellaneous infrastructure for the City’s Southpoint Commerce Park (\$79,472) and to repurchase lots in the Northeast Business Park that are not in compliance with the protective covenants for construction (\$200,000). Funds are also included to restore the most heavily used center two lanes of Eisenhower Drive (\$124,855) and allow us to postpone the more costly concrete reconstruction for a period of 5-10 years which will hopefully coincide with more substantial build-out within the Southpoint Commerce Park.
- TIF districts – TIF District 9 and TIF District 10 were approved on 9/19/13 to assist with site acquisition and preparation for a major expansion by a long established local industry and for a new major retailer, respectively.
- Revolving Loan Fund – The East Central Wisconsin Regional Loan Fund (EC Regional Loan Fund) Program is currently comprised of the counties of Calumet, Fond du Lac, Outagamie, Shawano, Waupaca and Winnebago, and, as of July 10, 2013, has approximately \$12 million in managed assets with \$4.7 million cash on hand available for loans to businesses to establish or expand in the region. With Appleton’s contribution to the fund, businesses in Appleton will be eligible for loans from the fund.

FISCAL

- Taxes – Overall, this budget includes a small increase in levy-related expenditures of .72% while experiencing a decrease of 6.45% in revenues, resulting in a tax levy increase of 1.98%. The increase in the levy, coupled with the overall loss in the City’s tax base of .63% on an equalized basis, results in an increase of 2.34% or \$.19 in the equalized value mill rate (\$8.48 in 2013 vs. \$8.29 in 2012). However, since assessments are currently estimated at or above 100% for all counties, the average assessed mill rate increases only \$.11 or 1.34% (\$8.14 in 2013 vs. \$8.03 in 2012). City and State imposed levy restrictions are met by this budget.

Debt and Fund Balances – Despite the difficulties in the economy, the City’s established debt and fund balance policies will be met by this budget to ensure the City’s outstanding bond ratings and financial stability. We have also maintained up to 1% of the 2014 General Fund Budget in the reserve for contingencies (\$697,096). The reserve for fuel contingency (\$137,315) remains intact and is requested to be carried over from 2013. The reserves for state aid changes and for PEG access (\$849,107 and \$99,631, respectively, after planned use in 2014) are also requested to be carried over to 2014.

UTILITIES

- Water – The regulatory upgrades and process improvements at the Water Treatment Plant are tentatively scheduled to be bid in November of 2013. The construction estimates are currently approximately \$1 million over budget. It is anticipated we will need to address funding shortfalls when actual bids are received. This budget continues to focus on replacing aged distribution and transmission mains (\$2,665,988). 2013 was the first year of a multi-year project to replace the existing radio-read water meters to an Advanced Metering Infrastructure (AMI) reading system. The continuation of those replacements is budgeted at \$1,860,073. This budget includes deferring a rate study until early 2015 with implementation late in 2015 or early 2016.
- Wastewater – Wastewater collection system capital improvements include typical reconstruction projects in concert with road improvements (\$2,665,988). Utility capital improvements include upgrades to the digesters to improve their energy efficiency (\$225,000) and improvements to the Everett Street lift station (\$450,000). We continue to monitor the

new NR 217 rule and the Total Maximum Daily Load (TMDL) legislation as they relate to phosphorous reduction criteria that will have significant implications to the Wastewater Utility. A TMDL study is underway. It will provide a comprehensive evaluation of existing treatment capabilities and provide recommendations for future capital planning for treatment improvements or technologies to decrease phosphorus levels. There is no change in the Wastewater rates in the 2014 Budget but a 3% rate increase is anticipated on January 1, 2015.

- Stormwater – This budget reflects funding for land acquisition and phase 1 development for the West Wisconsin Avenue flood reduction project (\$2,700,000), along with other infrastructure (\$2,779,049) as we continue to implement the City-wide stormwater management plan. There was an increase in stormwater rates effective 7/1/13, from \$125 to \$155 per ERU. The next planned rate increase, of approximately 18%, is expected to be in July, 2016.

PERSONNEL

The 2014 Executive Budget contains both additions and reductions in part-time and full-time positions, as well as reclassification of certain positions.

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

- Addition of funding to the Library Assistant – Adult Programming position to bring it up to a .5 FTE part-time position.
- Redefinition of the Valley Transit Administrative Assistant position (.9 FTE) as a full-time Paratransit Coordinator/Relief Operations Supervisor.
- Addition of .2 FTE to a part-time Communications Technician at Valley Transit; position is now .5 FTE.

Personnel changes not yet approved by the Common Council but contained in this budget include:

- Elimination of the vacant Systems Analyst position in Information Technology.
- Redefinition of one Programmer / Analyst II position in Information Technology as a Lead Programmer / Analyst-position, taking on some of the broader systems responsibilities that had been part of the Systems Analyst's job description.
- Reduction of one Service Person position in CEA to half-time. The position had previously been full-time but was filled as a half-time position in 2012. The position was maintained at 1.0 FTE on the table of organization pending an analysis of the results of a trial period.
- Addition of a second full time Lead CSO in Police, offset by a reduction in the full-time equivalent number of CSO hours. Staffing the CSO positions is challenging due to the availability of qualified applicants or their availability to work the required number of hours.
- Addition of a .5 FTE clerical position to the fifth floor customer service team.
- Addition of a full-time Communications Coordinator in the Mayor's Office.
- Addition of a .5 FTE Library Assistant for Hmong outreach in Children's Programs.
- Addition of one full time Police Officer, to be funded from available 2014 fund balance or a reallocation of other Police expenditures.

- Addition of a .5 FTE Operator position in Sanitation to manage the recycling cart inventory required by the addition of a second cart size option.

Further details can be found under the major changes program narratives in the respective budgets.

CAPITAL IMPROVEMENT PROGRAM

Highlights of the remainder of the 2013 CIP are as follows:

- Public Works traffic enhancements include street lighting, traffic grid and traffic camera program expansion (\$122,250).
- The Prospect Avenue over Jackman Street bridge has a weight limit posted and is in degraded condition. Design of this project is planned to be completed in 2014 (\$40,000). This project receives 80% funding from the State and the construction is planned to take place in 2015.
- Information Technology projects include installation of additional security cameras to address certain vulnerabilities in City facilities and dedicated video storage (\$140,000), a website re-design using current web technology (\$60,000), an upgrade to the MetaFile document management system (\$70,000), and the first steps in replacement of our mainframe computer (\$50,000).
- Facilities improvements include HVAC upgrades (\$200,000), safety and security upgrades (\$175,000), grounds and hardscape improvements (\$400,000) and roof replacements (\$335,000).
- Quality of Life improvements focus on maintaining playground equipment at our existing City parks (\$90,000), Erb Pool/Pavilion repairs (\$100,000), Pierce Park band shelter construction (\$500,000), skate park construction (\$255,000), Apple Hill Trail (\$225,000), new parking lot at Telulah Park (\$250,000) and land acquisition for a community park on the southeast (shared with surrounding communities, \$400,000).
- In accordance with Wisconsin Department of Commerce regulations, the City is required to install fuel tank top and below dispenser containment systems equipped with leak detection sensors to the fuel site at the Municipal Service Building (\$150,000). The existing fuel monitoring system will also be upgraded including new software and fuel ring devices.
- Public safety investments include the first year of a multi-year project to upgrade the emergency vehicle signal pre-emption equipment (\$121,020), the final installment of a project to upgrade fire personal protective equipment (\$32,000; a plan has been put in place for future upgrades to occur incrementally and be funded from the Fire operating budget), and replacement of the Fire Department's rescue boat (\$53,000) with one that will be better suited to the varying conditions and shallow water of the Fox River.

CONCLUSION

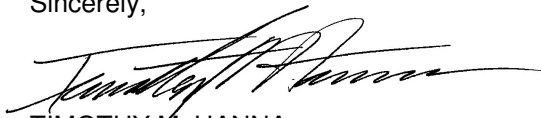
In these times of constant change and uncertainty it is important to remember that the one thing that doesn't change is the City's mission of meeting the needs of the community and enhancing the quality of life. Our citizens demand that we continue to meet that mission at the same time they demand that we not further burden them to do so. This means that we must continue to find ways to be more efficient with the resources that our citizens entrust to us and to look for ways to permanently reduce our overhead while minimizing the impact on the services that our citizens have come to expect from the City. This is a trend that I believe needs to continue into the future whether we are in

good times or not so good times. But it is even more important today as we continue to face a challenging and uncertain economic future.

It is my great honor to say thank you to our department directors and all of our employees for their ongoing dedication and selfless service to our organization and our community. In particular, I would like to recognize Finance Director Lisa Remiker, Deputy Director Tony Saucerman, John Hoft-March, Kelli Rindt and Stephanie Rogers for the many hours they have spent preparing this document, along with the incredible job they do each day to keep our city in excellent financial condition. They deserve a great deal of credit for the jobs they do on a daily basis on behalf of our community.

The City of Appleton continues to balance sound financial conditions 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,

A handwritten signature in black ink, appearing to read 'Timothy M. Hanna', written in a cursive style.

TIMOTHY M. HANNA
Mayor of Appleton

CITY OF APPLETON – 2014 BUDGET EXECUTIVE SUMMARY

COMBINED SUMMARY OF EXPENSES - ALL FUNDS

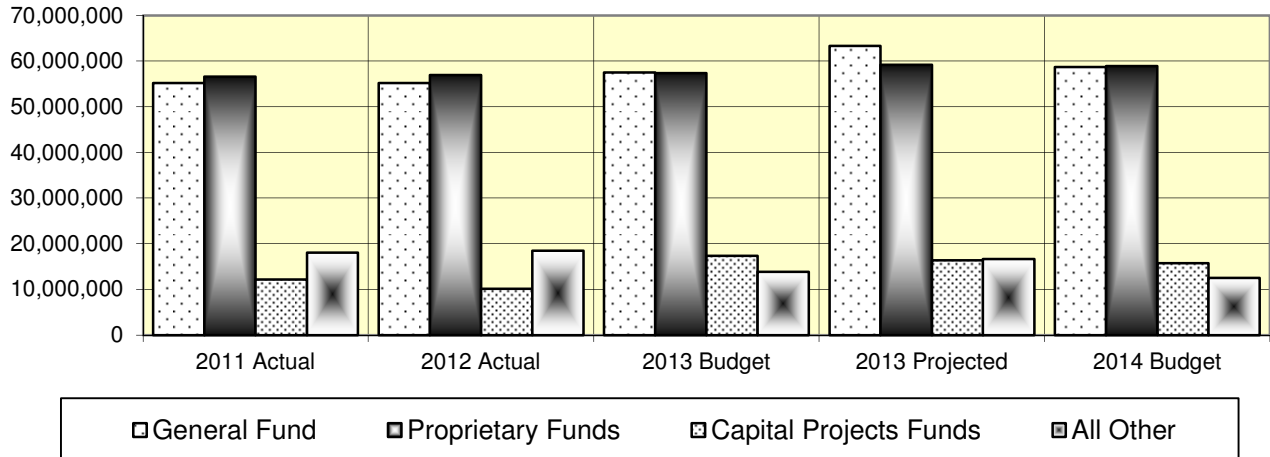
The City of Appleton follows the accounting methodology known as fund accounting, whereby revenues and expenditures are categorized by fund. Each individual fund represents a specific purpose or activity. Fund accounting is a means of separating and tracking those revenues and expenditures related to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

Table 1: TOTAL EXPENSES – ALL FUNDS ¹

	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget
General Fund	\$55,230,280	\$55,227,154	\$57,489,592	\$63,345,808	\$58,693,998
Debt Service Funds	8,571,674	10,154,974	6,152,608	6,631,608	5,090,815
Special Revenue Funds	9,460,702	8,288,016	7,642,994	10,007,971	7,352,483
Capital Projects Funds	12,194,344	10,156,500	17,296,750	16,360,718	15,821,336
Enterprise Funds	45,630,301	45,534,182	48,166,596	49,460,500	49,469,156
Internal Service Funds	10,943,925	11,400,218	9,188,936	9,722,289	9,465,966
Permanent Funds	900	0	0	0	0
Total – All Funds	\$142,032,126	\$140,761,044	\$145,937,476	\$155,528,894	\$145,893,754

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

Fig. 1: COMBINED SUMMARY OF EXPENSES



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

CITY OF APPLETON – 2014 BUDGET EXECUTIVE SUMMARY

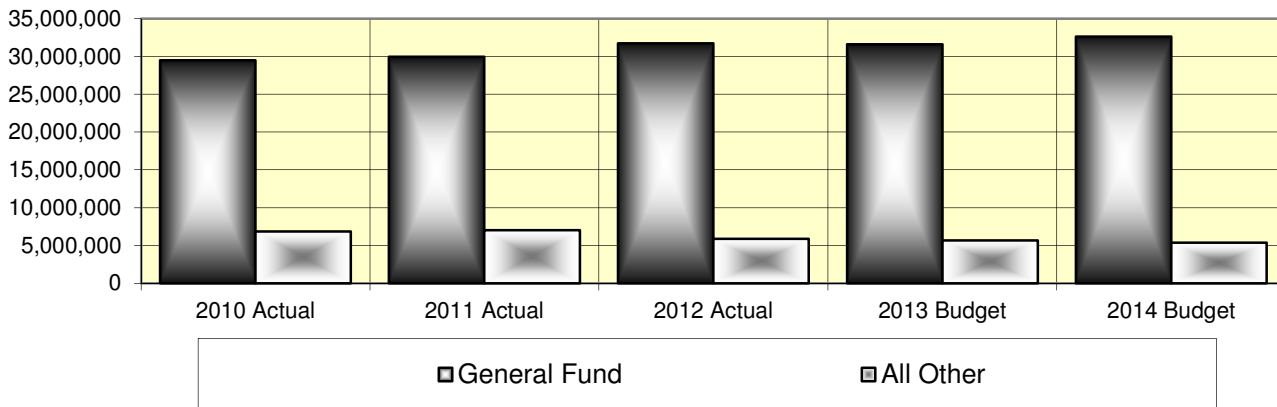
PROPERTY TAXES

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

	2010 Actual	2011 Actual	2012 Actual	2013 Budget	2014 Budget
General Fund	\$29,497,480	\$29,942,488	\$31,728,652	\$31,584,761	\$32,622,637
Debt Service Funds	3,533,999	3,852,111	3,070,688	3,100,722	2,825,388
Special Revenue Funds	2,822,800	2,310,000	2,310,000	2,075,188	2,050,913
Capital Projects Funds	500,000	900,000	500,000	500,000	500,000
Total – All Funds	\$36,354,279	\$37,004,599	\$37,609,340	\$37,260,671	\$37,998,938

Fig. 2: PROPERTY TAX LEVY BY FUND



This chart illustrates the allocation of property tax revenues to various City operations. The General Fund, which accounts for the day-to-day functioning of city government, is funded primarily from property taxes and intergovernmental revenues such as the State Shared Revenue program. Enterprise Funds, which generally function as independent business enterprises, are primarily funded by user fees while the majority of capital projects are funded by borrowing. The General Fund increase since 2010 is due to stagnant or declining state support.

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 2013 property tax levy (payable in 2014), approximately 33% is levied for various City operations as illustrated in Table 3 and in Figure 3 following. Another 37% is levied by the Appleton, Menasha, Kimberly and Freedom school districts, 18% by Outagamie, Calumet, and Winnebago counties, 8% by Fox Valley Technical College (WCTS), and 1% by the State of Wisconsin. The remaining 3% is levied on the increment in Tax Incremental Financing (TIF) districts, and is used within each individual district for further capital investment, debt service on previous borrowing, and repayment of advances from other sources, as applicable.

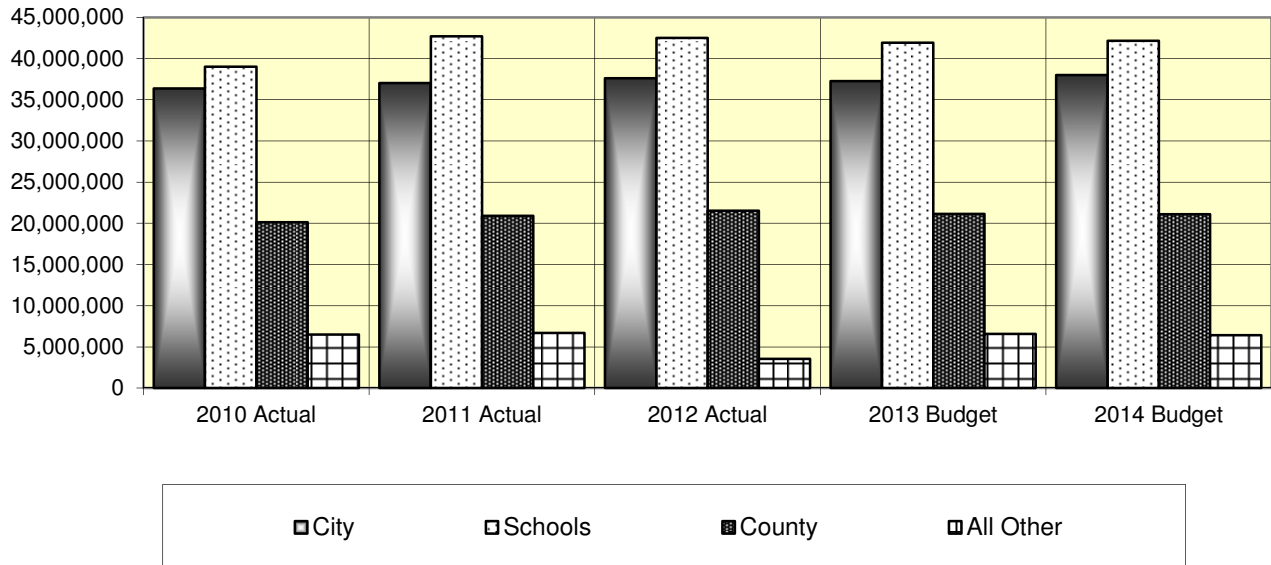
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Table 3: CERTIFIED APPORTIONMENT OF PROPERTY TAXES *

Apportionment	2010	2011	2012	2013	2014
City	36,354,677	37,004,526	37,611,289	37,260,671	\$37,998,938
WTCS	7,918,742	8,353,838	8,294,937	8,853,045	8,840,333
Schools	39,006,781	42,718,673	42,541,871	41,942,408	42,195,792
State	812,733	823,345	814,098	789,372	784,434
County	20,145,801	20,916,513	21,151,329	21,143,919	21,086,515
TIF Districts	3,941,390	3,720,126	3,995,673	3,896,970	3,595,830
Total - All Portions	\$ 108,180,124	\$ 113,537,021	\$ 114,409,197	\$ 113,886,385	\$ 114,501,842
Less State Credits	6,161,669	6,186,432	9,197,393	6,916,444	6,776,579
Net Tax Levy	\$ 102,018,455	\$ 107,350,589	\$ 105,211,804	\$ 106,969,941	\$ 107,725,263

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

Fig. 3: CERTIFIED APPORTIONMENT OF PROPERTY TAXES



TAX LEVY

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

Tax Levy	2010	2011	2012	2013	2014
City	7.9463	8.0496	8.1510	8.0311	8.1358
WCTS	1.7308	1.8172	1.7977	1.9082	1.8928
Schools	8.5013	9.2858	9.2081	9.0263	9.0137
State	0.1712	0.1733	0.1704	0.1644	0.1628
County	4.4107	4.5338	4.5789	4.5627	4.5168
Gross Tax Levy	\$ 22.7603	\$ 23.8597	\$ 23.9061	\$ 23.6927	\$ 23.7219

Outagamie County/Appleton Area School District only.

The City Assessor is charged with maintaining assessments of the value of property in Appleton at or near 100% of market value. The assessed values are used to determine how much of the community's total levy is paid by

**CITY OF APPLETON – 2014 BUDGET
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each property owner. For example, a person who owns 1% of a community's assessed value will pay 1% of the taxes. Increases or decreases in assessed value with no additional property added or demolished will change the individual's share of the property tax levy only.

Assessed values are reported to the State, which in turn estimates the total market value of properties within each taxing jurisdiction, which is called the equalized value. The equalized values are used to determine what portion of the County, School District and Technical College levies will be paid by each community. In the case of the City of Appleton, since we are located in three counties, the equalized values are also used to distribute the tax levy to various portions of the city. This gives rise to the multiple tax rates ("mill" rates; there are currently eight) we have in Appleton, which vary by the county and school district in which the property is located.

If the total property remains stable (i.e. net new construction - new construction less properties razed or converted to non-taxable status - equal to zero), increases in the levy will result in increased assessed rates. Appleton has had a 5.6% increase in net new construction from 2010 to 2014, while the tax levy has increased by 4.5%.

Table 5: TOTAL FULL TIME EQUIVALENT EMPLOYEES

DEPARTMENT	2011	2012	2013	2014
Legal Services	8.67	8.67	8.67	8.67
Finance Department	8.85	8.85	8.85	8.85
Homeless & Block Grants	0.95	0.95	0.50	0.50
Fire Department	97.00	96.00	96.00	96.00
Health Department	12.61	12.36	12.36	12.35
Health Grants	3.39	1.89	1.64	1.66
InformationTechnology	12.00	12.00	12.00	11.00
Library	45.00	44.50	45.00	45.50
Mayor's Office	2.00	2.00	2.00	3.00
Facilities Management	19.82	19.88	10.23	10.23
Facilities Capital	0.40	0.40	0.40	0.40
Parks & Recreation	5.45	5.45	15.05	15.00
Reid Golf Course	1.55	1.53	1.73	1.78
Human Resources	6.15	6.15	6.15	6.15
Risk Management	2.98	2.98	2.98	2.98
Community Development	17.88	18.13	18.13	18.13
Housing & Community Devel.	2.00	1.00	1.00	1.00
Police Department	134.00	133.00	134.00	136.00
Public Works	62.01	62.49	62.08	62.58
Sanitation	18.89	17.89	16.99	17.49
CEA	15.11	15.11	15.01	14.51
Parking	11.47	11.17	11.18	11.18
Capital (TIF, Subdivision, etc.)	4.16	2.42	2.79	2.27
Stormwater Utility	18.73	18.98	19.67	19.67
Water Utility	36.51	36.64	36.71	37.73
Wastewater Utility	29.42	29.93	29.21	28.71
Valley Transit	52.65	51.83	54.13	54.13
Total Regular Employees	629.64	622.18	624.43	627.43

The chart above shows the total regular, full time equivalent number of employees. It does not include part time and temporary employees not eligible for health insurance or other fringe benefits. Positions eliminated for 2014 are a .5 FTE Service Person in CEA, which has been retained in the table of organization but not funded in the budget pending assessment of a trial period in which that position was filled as .5 FTE, and the systems Analyst position in IT, partially offset by the upgrade of one Programmer / Analyst II position to Programmer / Analyst III. Grant funded public health nursing hours also declined by the equivalent of .02 FTE due to available grant funding. Positions added in 2014 are a second Lead Community Service Officer (CSO) and an entry level Police

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Officer in Police, a .5 FTE Library Assistant - Hmong Outreach at the Appleton Public Library, a .5 FTE customer service clerk, a .5 FTE Operator position in Sanitation, and a Communications Coordinator in the Mayor's Office.

Other revisions that were approved by Council during 2013 include the addition of a .5 FTE Library Assistant – Adult Outreach position at the Library, conversion of a .9 FTE Administrative Assistant position at Valley Transit to a full time Paratransit Coordinator, and a .2 FTE increase to an existing Communications Technician position, also at Valley Transit.

GENERAL FUND SOURCES OF REVENUE

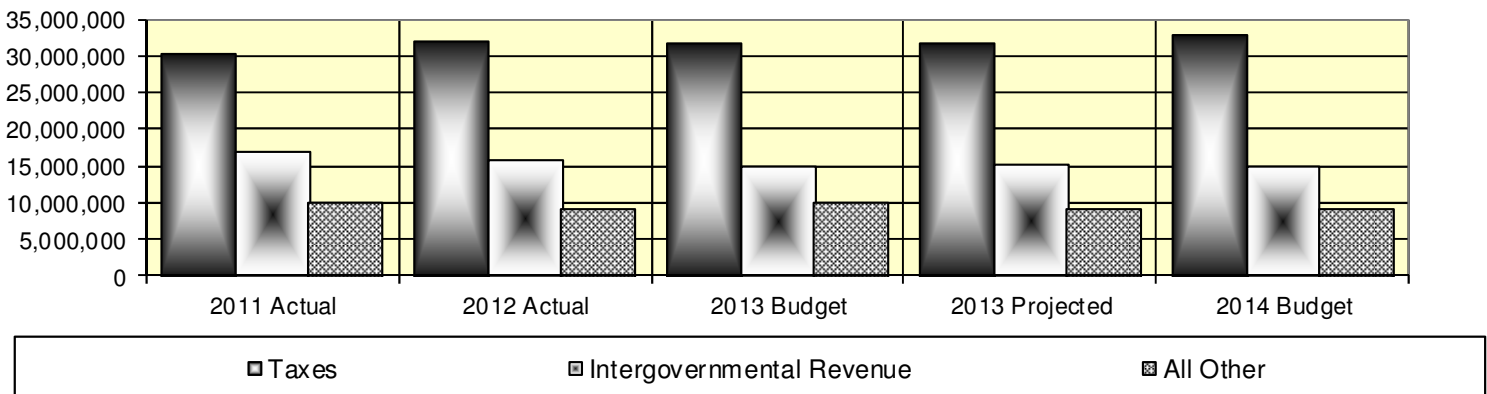
The General Fund, which accounts for the day-to-day functioning of city government, is supported by revenue from a variety of sources, including the property tax.

Table 6: GENERAL FUND SOURCES OF REVENUE

Source	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget
Taxes	30,340,877	32,116,087	31,975,061	31,975,061	33,022,937
Intergovernmental	17,199,561	15,900,288	15,180,080	15,301,080	14,871,503
Licenses and Permits	895,927	1,018,228	886,025	896,025	931,680
Special Assessments	1,786,373	1,040,514	1,126,000	951,000	1,219,259
Charges for Services	1,220,147	1,367,706	1,212,649	1,212,649	1,276,595
Interest Income	1,600,991	1,226,854	1,670,218	1,000,000	1,678,452
Fines and Forfeitures	359,662	384,340	370,000	370,000	370,000
Other Revenue	1,629,099	1,710,952	2,332,706	2,402,950	1,473,420
Total General Fund	55,032,637	54,764,969	54,752,739	54,108,765	54,843,846
Other Financing Sources	2,381,253	2,299,543	2,254,029	2,251,029	2,184,550
Total Revenue & Other	57,413,890	57,064,512	57,006,768	56,359,794	57,028,396

The largest single source of funding for General Fund operations is the property tax, which, with payments in lieu of property tax of \$400,300, will provide \$33,022,937 or approximately 58% of revenues in 2013. The next largest is intergovernmental transfers, of which \$9,736,279 is from the State government under the State Shared Revenue program, an increase of .3% from 2013 but a cumulative reduction of 12.5% from 2010. Overall, Intergovernmental Revenue, which also includes State aids for street reconstruction, accounts for approximately 26% of revenues. The remaining 16% of revenues will come from various other sources, as illustrated above. The 2013 budget is balanced with the planned use of \$237,333 of a reserve established for state aid changes (\$849,107 remains after this planned use).

Fig. 4: GENERAL FUND SOURCES OF REVENUE



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GENERAL FUND EXPENDITURES

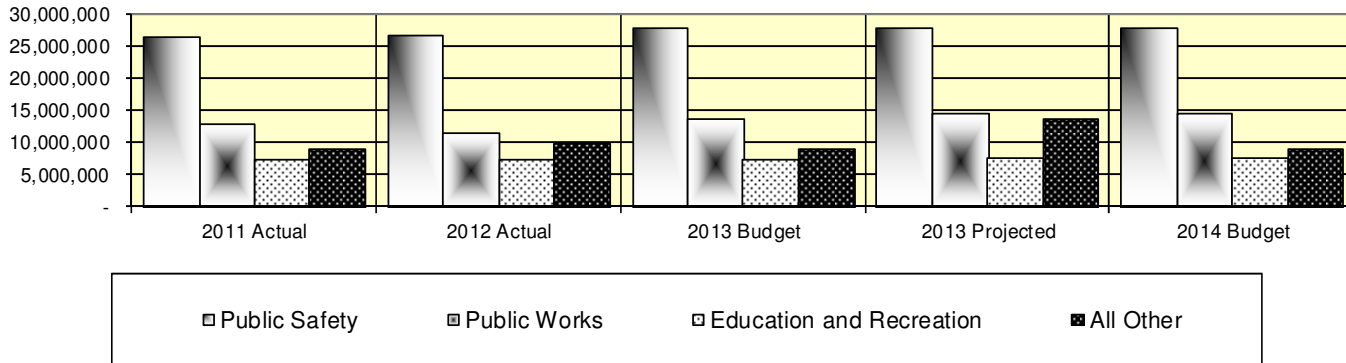
The General Fund accounts for the day-to-day functioning of city government, including maintenance of certain City-owned facilities and street maintenance and reconstruction projects.

Table 7: GENERAL FUND EXPENDITURES

Expenditures	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget
General Government	6,728,675	6,674,733	6,557,038	9,279,061	6,526,034
Community Development	1,600,050	1,502,063	1,624,050	1,668,050	1,694,317
Education and Recreation	7,104,280	7,175,293	7,265,253	7,396,889	7,472,222
Public Works	12,911,573	11,629,737	13,709,157	14,537,141	14,505,907
Public Safety	26,444,183	26,786,645	27,740,625	27,894,513	27,899,475
Total Expenditures	54,788,761	53,768,471	56,896,123	60,775,654	58,097,955
Other Financing Uses	441,519	1,458,683	593,469	2,570,154	596,043
Total Expenditures & Other	55,230,280	55,227,154	57,489,592	63,345,808	58,693,998

The largest single expenditure for the General Fund is for public safety, which in 2014 accounts for approximately 48% of General Fund expenditures. Of that total budgeted expenditure, approximately 57% is for police protection, 39% for fire protection, and the balance for public health. The next largest portion of the budget (approximately 25%) 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 11% and 13% of General Fund expenditures, respectively.

Fig. 5: GENERAL FUND EXPENDITURES



GENERAL GOVERNMENT

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

	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget
The Common Council	103,560	107,745	137,469	137,469	127,520

The Common Council

The legislative powers of the City are vested in the Council with the responsibility of establishing policy, adopting an annual budget and service plan and carrying out the duties defined by State Statutes and City Ordinances. In April of 2012, the number of districts in the City represented by alderpersons declined by one to 15 as the result of redistricting. Because statutes provide for elected representatives to serve their full terms, one district was

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represented by two alderpersons simultaneously until April, 2013, when one of the representatives completed his term. 2014 is the first full year at the lower number of representatives.

The 2013 budget reflected the elimination of part time personnel expense related to taking minutes of committee and Council meetings that was added in 2012 and the addition of \$36,000 for operational costs associated with support, storage, training and use of a new meeting recording system. The new system records both audio and video of all committee and Council meetings and offers agenda and report management and the ability to post the videos to the City website. Costs associated with the system will continue to be funded through the contingency established by a settlement with Time Warner Cable over franchise fees and are at a lower level in 2014 because the 2013 budget included installation and training costs.

	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget
The Mayor's Office	263,765	252,007	262,307	262,307	349,363

The Mayor's Office

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

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

The 2014 budget for the Mayor's Office includes the addition of a full time communications coordinator position.

	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget
Parks, Recreation & Facilities Management	3,928,352	3,989,405	2,486,415	2,486,415	2,572,134
Facilities Capital Projects	1,211,860	532,346	1,671,212	1,692,258	2,978,034
Energy Efficiency & Conservation Grant	419,788	0	0	0	0
Parks and Recreation	2,911,234	3,067,003	3,069,804	3,069,804	3,211,827
Peabody Estate Trust	0	0	0	0	0
Balliet Locomotive Trust	0	0	300	300	300
Lutz Park Recreational Trust	0	75,610	13,400	0	3,650
Park Open Space Fund	30	0	0	0	200,000
Union Spring Park	0		500	500	500
Universal Playground	6,900	5,783	2,500	2,500	2,500
City Park Project	0	0	200	200	200
Miracle League Field	0	0	0	0	0
Parks and Recreation Capital Projects	140,447	0	0	100,000	0
Reid Municipal Golf Course	770,565	557,802	549,585	552,585	532,915

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Parks, Recreation and Facilities Management

In the 2011 budget, the Forestry function of the Parks & Recreation department was moved into the Department of Public Works to better take advantage of the synergies between the work loads of the arborists, equipment operators and laborers and the responsibility for maintaining parkland, athletic fields, structures within parks, and other City-owned properties was transferred to the Facilities, Grounds & Construction Management department to centralize all maintenance of City-owned property. In the 2012 budget, the position of Parks & Recreation Director was eliminated and replaced with a Superintendent of Parks & Recreation under the direction of the Director of Parks, Recreation & Facilities Management. Beginning with the 2013 budget, the staff engaged in parks grounds maintenance are charged directly to the Parks and Recreation department to streamline department management. All prior periods have been restated to reflect this change. Specific activities of the Parks & Recreation department are discussed below.

Facilities and Construction Management

Facilities and Construction Management is an internal service fund charged with maintaining the City's physical properties and with oversight of contractors performing maintenance or construction work on its behalf.

In addition to the routine maintenance of all City-owned properties, the 2014 budget includes an increase in maintenance supplies and services related to the newly reconstructed Houdini Plaza (\$5,000), replacement of exterior doors (\$30,000) and asbestos abatement (\$10,000) at the Wastewater Treatment Plant, and replacement of obsolete office furniture and workstations at the Library (\$30,000).

Facilities Capital Projects

The Facilities Capital Projects fund accounts for expenditures related to City facility construction and major facilities improvements not accounted for separately in the City's enterprise funds. Projects planned for 2014 are:

- Washington Square development (\$100,000) - to continue planning and design work for the replacement or renovation of the Library, replacement of the Blue parking ramp, and construction of a City Hall,
- Grounds improvements (\$130,000),
- Hardscape infrastructure improvements (\$190,000),
- HVAC upgrades (\$200,000),
- Roof replacement (\$200,000),
- Parks utilities (\$85,000) - to replace sewer laterals in Pierce and Alicia parks,
- Safety & security upgrades (\$175,000) - to install automatic gates at the Municipal Services Building (MSB) and security cameras in various park pavilions,
- Storage construction (\$60,000) - to build a mezzanine storage area at MSB,
- Erb pool renovation (\$100,000) – to continue the renovations and improvements identified in the 2013 concept plan for the overall renovation of the facility,
- Pavilion renovations (\$30,000) – to complete a thorough assessment of the status of pavilion structures in all parks,
- Pierce Park band shell (\$500,000) – for a major renovation to the band shell,
- Playground equipment (\$90,000) – to continue to replace outdated or unsafe playground equipment in various parks,
- Prospect Avenue Park (\$65,800) – for land acquisition and initial development of the former Water utility site on Prospect Avenue at Walnut Street following removal of the underground water storage tank, which was completed by the Water utility during 2013,
- Riverfront initiatives (\$25,000),
- Southeast community park (\$200,000) – for an engineering assessment of the railroad trestle between Lawe Street and the former Foremost Dairy site on John Street,
- Skate park (\$255,000) – to construct a skate park facility within Telulah Park,
- Telulah Park (\$250,000) - to replace the existing parking lot with a more centrally located lot to better serve park users,
- Tennis courts (\$45,000) – Erb Park,
- Trail development (\$225,000) – for the Apple Hill Trail.

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

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Parks and Recreation Department

The Parks and Recreation Department (APRD) is responsible for administering City recreational programs. Specific objectives of the department include:

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

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

The 2012 budget took this consolidation a step further and eliminated the position of Parks & Recreation Director and established that of Superintendent of Parks & Recreation under the direction of the Director of Parks, Recreation & Facilities Management. The 2013 budget reflects charging grounds maintenance staff directly to Parks & Recreation (prior periods have been restated) and allocation of 30% of the Director of Parks, Recreation and Facilities Management’s time. The 2014 budget reflects increased facilities maintenance expenses related to vandalism and general deterioration of various parks facilities, including Erb Pool.

Peabody Estate Trust

To account for moneys received from a private donation to finance the repair, construction, and preservation of Peabody Park, and the corresponding expenditures for such purposes. \$48,968 was spent in 2010 to install security lighting in the park. No projects were undertaken in 2011, 2012, or 2013 and none are planned for 2014.

Balliet Locomotive Trust

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

Lutz Park Recreational Trust

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

Renovations to the boat launch, shoreline stabilization, and work on the bathroom facilities were completed in 2009. Part of this work was paid for from a \$285,015 grant from the state Department of Natural Resources awarded in 2006 for work on the boat landing and shoreline restoration. 2012 expenditures were to construct an open air gazebo near the fishing pier, providing a focal point for the park and recognition of the Lutz family for their support of the park. The 2014 budget is for maintenance of the various facilities in the park.

Park Open Space Fund

To account for moneys received from subdivision developers to finance future acquisition and development of park facilities and the corresponding expenditures. In 2014, this fund will be used for the City’s share of land acquisition (\$200,000) for a regional park on the city’s south side (jointly with the Town of Harrison). The reacquisition of the WE energies property adjacent to the site of the former water treatment plant along the riverfront has been budgeted for several years (\$107,000) but has been delayed by the need for the State Department of Natural Resources to provide a closure letter to WE Energies prior to the property transfer. A funding request will be submitted when acquisition of this property is available.

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Union Spring Park

To account for moneys received from private donations to finance the maintenance of the well at Union Springs Park and the corresponding expenditures.

Project City Park

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

Universal Playground

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

Miracle League Field

This fund provides for maintenance of the Miracle League Field. The Miracle League Field was available in June 2010 for the initial season. Installation of the rubberized playing surfacing and final landscaping were completed in September, after the summer program had ended. No projects are anticipated in 2014.

Park and Recreation Projects

This fund provided for a variety of Parks and Recreation capital needs prior to the incorporation of the Parks and Recreation department in the Facilities Management department. The 2012 budget provided for reconstruction of the Telulah park entrance road and connection to the Newberry trail (\$100,000). This project was originally planned for 2010 but has been rescheduled due to delays in the development of the Riverheath project adjacent to the park, which will necessitate redesign of access roads and trail connections. This project was carried over to 2013 and is expected to be carried over again to 2014.

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, consistent with national and local trends, with the exception of a significant decline in 2013 due to the closure of a part of the course for construction of two stormwater detention ponds. The 2014 budget reflects a recovery to prior levels of use and a one-time expense of \$35,000 for the replacement of a course shelter that was removed for the stormwater construction project.

	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget
Finance Department	904,666	860,871	882,987	895,632	901,566

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

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- Maintaining parking ticket records and issuing reminder and state suspension notices to ensure that the proper amount is billed
- Providing administration of the City's accounts receivable and collection functions (NSF, small claims, special assessments)
- Providing accurate service invoices for the City and producing reminder notices for delinquent accounts to sustain an adequate cash flow
- Coordinating all aspects of budget preparation, including a five year capital plan
- Facilitating the City's centralized purchasing function for common use items and pursuing local and regional purchasing opportunities

There are no major changes reflected in the 2014 budget.

	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget
Unclassified City Hall	2,756,233	3,640,319	2,452,087	4,795,058	2,221,872
Room Tax Administration	369,731	370,698	382,000	379,286	382,000
Housing, Homeless & Block Grants	637,316	400,099	309,276	317,035	466,885
Other Post Employment Benefits	59,437	101,199	102,290	102,290	105,000

Unclassified City Hall

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

Salary adjustments to be covered from the wage reserve normally consist of General Fund non-represented staff performance adjustments, salary adjustments for any unsettled union contracts, and fluctuations in the cost of health insurance. The 2011 and 2012 budgets included no cost of living increases or performance adjustments for any employees other than those permitted union representation under the state's budget repair bill (Act 10) passed in 2011, therefore no money has been budgeted for the wage reserve in either year and the balance has been carried over. The 2013 budget included a 1% COLA for all non-represented employees and a 0.5% performance adjustment, which was awarded based on individual employee performance with respect to job-related goals and did not become part of the employees' base pay. The 2014 budget includes a 2% COLA for all non-represented employees, provided they demonstrate at least satisfactory performance relative to job-related goals. Performance adjustments in addition to the COLA will be awarded based on individual employee performance as either an addition to base pay or as a lump sum, depending on the employee's positioning within his or her pay grade. All available funds (currently \$148,370) in the wage reserve are requested to be retained for the performance adjustment, contract settlements, and position re-evaluations. Additional funding is expected to be requested from available general fund balance in excess of amounts required by policy, but any such amount will not be determined until completion of the 2013 audit.

The other contingencies include:

- \$99,631 Time Warner Cable settlement, which supports public education and government ("PEG") access. This is the balance remaining after the projected use of \$17,866 in 2013 and the budgeted use of \$22,200 in 2014.
- \$1,086,440 State aid contingency (of which \$849,107 is expected to remain after planned 2014 use)
- \$ 697,096 Operating contingency (one percent maximum of 2014 Budget according to policy)
- \$ 137,315 fuel contingency

It is assumed that the Council will retain all remaining contingency fund balances.

The 2014 budget includes the following:

- An increase in the expense allocation from Risk Management because those costs have increased due to losses experienced and to no longer having excess fund balance to apply to offset the cost of coverage,

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- A reduction in severance pay for retirees and related fringe benefit costs from the current budget and prior years' actual expenses based on anticipated retirements in 2014 and the expectation that approximately \$100,000 of the amount budgeted for retirements in 2013 will be available to carry over to 2014,
- A reduction of \$46,227 in Facilities charges (which includes the condominium fees for City Hall), due to more maintenance activity being concentrated on other City facilities, and
- A slight increase in the general fund support to Valley Transit (\$5,544).

Room Tax Administration

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

Housing, Homeless and Block Grants

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

- Community Development Block Grant (CDBG)
 - Create and maintain decent and affordable housing opportunities for low-income residents
 - Strengthen community services by offering new and improved access for low-income residents
 - Expand economic opportunity through financial counseling and business revitalization activities
 - Improve various public facilities throughout Appleton to create better availability/accessibility
- Continuum of Care/Supportive Housing Program (COC/SHP) # 1 and # 2
 - Provide for adequate and successful operation of transitional and permanent supportive housing programs
 - Provide for expansion and successful operation of Housing First programming
 - Improve the quality of life in central city neighborhoods with the planting of several urban street trees
- Neighborhood Stabilization Program (NSP)
 - Address blighted, foreclosed properties with demolition, rehabilitation and redevelopment activities; 2012 was the final year in which Appleton received grant money for this program. Any further activity in this program will be funded solely by the proceeds of sales of rehabilitated blighted properties.
- Emergency Shelter Grant / Transitional Housing Program / Homeless Prevention Program (ESG/THP/HPP)
 - Prevent homelessness among City of Appleton residents through housing counseling and financial assistance
 - Provide essential services and adequate facilities for transitional housing program participants
 - Provide emergency shelter and associated services to persons experiencing homelessness

During 2012, program administration moved to the Community and Economic Development Department, while the Finance Department retains responsibility for the overall accounting/audit work, including compliance with the State single audit guidelines and with OMB Circular A-133.

Due to personnel changes during 2011, grants have been administered by a contracted agency with oversight from the Finance Department to insure compliance with state single audit guidelines and federal OMB Circular A-133, along with the requirements of the supportive housing rule codified at 24 CFR 583 and the HEARTH act. Grant administration dollars allowed do not cover the full cost of compliance requirements. As in 2013, the City has again levied \$5,000 as a leadership partner and is requesting funding agencies to contribute a total of \$10,000. The City recognizes the significance of the supportive services provided by these agencies related to residential financial and social stability to insure Appleton is a thriving urban community.

Other Post Employment Benefits (OPEB)

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

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

The City is required to have an actuarial study every two years to update the OPEB calculation. City staff update the information in the off year. A study will be completed in 2013 for the year ended December 31, 2012 and the next will occur in early 2015 for the year ending December 31, 2014.

	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget
Information Technology	1,381,127	1,318,029	1,637,108	1,999,562	1,637,052
Information Technology Capital Projects	84,803	318,104	543,000	692,053	320,000

Information Technology

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

In 2014, IT will continue the transition from dedicated network servers to servers in a virtual machine (VM) environment. This budget also includes the elimination of the vacant Systems Analyst position and the upgrading on a Programmer/Analyst II position to that of Lead Programmer/Analyst (net reduction of \$106,770).

Information Technology Capital Projects

This fund provides for a variety of technology capital needs. For 2014, this fund will be used to account for the following:

- Additional dedicated video storage (\$90,000),
- Continuation of the replacement/upgrade of existing security cameras (\$50,000, in addition to \$100,000 included in the Wastewater budget),
- Website software/design (\$60,000),
- Begin work on mainframe system replacement project (\$50,000), and
- Expand/replace existing electronic document archiving system (\$70,000).

	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget
Human Resources	653,934	639,795	704,135	704,135	686,334
Risk Management Fund	1,760,721	2,197,119	1,455,077	1,841,965	1,499,790

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

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- 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.

When the State government passed Act 10, the budget repair bill (BRB), it stripped bargaining rights from all employee unions except Police, Fire, and Transit. New three year contracts with Police and Fire have been negotiated to replace those expiring at the end of 2013. The previous Transit contract expired at the end of 2012 and two consecutive two year contracts were successfully negotiated.

All other formerly represented employees continued to be paid through 2013 based on the collective bargaining agreements that expired at the end of 2010 and comparisons with other municipalities, rather than on a market/competitive basis. Employees classified as non-represented prior to Act 10 continued to be paid on the basis of the non-represented position classification. During 2012, HR staff worked with a consultant to complete a comprehensive compensation study and develop a new compensation plan. During 2013, HR staff continued that work and developed a performance evaluation and pay adjustment plan. The new compensation plan and performance adjustment plan ensure employees are fairly compensated based on market conditions and their performance relative to job specific goals and eliminates the two-tiered pay schedule we currently administer. Major initiatives for the rest of 2013 and 2014 include completion of implementing the compensation plan.

In 2013, in order to address a need for temporary help in a number of departments \$30,000 for part-time wages and benefits was added to this budget and the HR Department was tasked with monitoring short-term departmental staffing needs (while also assessing the availability of light duty and other part time staffing) and working with the departments to supply the necessary staff to meet their needs. In 2014, an additional half-time position has been added to the customer service group for the fifth floor of City Hall.

Risk Management Fund

The mission of this 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 increase in the 2014 budget is due to a number of factors, including property appraisals, premium renewals, uninsured losses, and the Fox River clean-up.

An actuarial study needs to be done every other year to ensure that the Risk Management fund is adequately funded; a study was completed in 2013, the next will be scheduled for 2015. Property appraisals were previously provided as a value-added service by the insurance agent but are no longer. The appraisal will allow us to continue to verify that our properties are valued appropriately and are insured at an adequate level.

Premium increases are a result of expected increases in rates based on initial estimates from all our carriers. The increases to our workers' compensation and uninsured losses are based on our 7 year average actual claim history. We have experienced a number of higher dollar workers' compensation claims throughout the City, as well as a couple of large liability claims. One of the liability claims, from an accident in 2010, reached our excess level of \$175,000 during 2013. Due to these costly claims, extraordinary user charges were approved in 2012 and 2013 (\$729,834 and \$400,000, respectively) to help recover a portion of these costs and bring the Risk Management Fund closer to complying with its fund balance policy.

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The Fox River clean-up continues to be a source of potential liability for the City. The City is currently working with the other agencies involved to reach an agreement which would resolve the City's liability and remove the City from further litigation. The majority of the litigation costs are being reimbursed by insurance carriers. To date, \$2,034,390 in claims have been submitted and \$1,757,151 has been reimbursed. Reimbursement is slow but continues to be collected, with \$277,239 currently outstanding. Of this amount outstanding, an allowance for uncollectible accounts has been established of \$177,511 due to the age of the receivables. Included in the 2014 budget is an allowance for potential expenses that will not be reimbursed of \$15,000 of the \$250,000 of estimated expenses.

	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget
Legal Services	1,381,127	1,314,650	1,074,414	1,084,414	1,198,370
Tuchscherer Disability Trust	6,391	6,392	6,391	6,391	6,392

Legal Services

Legal Services encompasses three general areas: (1) representing the City in civil and quasi-criminal proceedings; (2) serving as legal advisor to the City, its agencies, officials and, in some instances, its employees, and (3) serving as the center of document retention and distribution for the City of Appleton.

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
- 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

As legal advisor to the City, Legal Services prepares documents and instruments, drafts legislation, renders formal and informal legal opinions, and performs such other services as required by law. Major efforts in 2013 included work with outside counsel on the Fox River clean-up, defending the City in an employment discrimination suit, defending the City in a civil rights case filed by a criminal defendant after conviction based, in part, on results of a search executed by Appleton Police pursuant to a search warrant, representing the City in several eminent domain cases arising out of various construction projects, and working with outside counsel on excessive assessment suits brought by several retail establishments in the City.

In April 2012, at the completion of the elected Clerk's term and her retirement, the Clerk's position became appointed rather than elected and reports to the City Attorney. In 2013, the Deputy City Clerk retired and the position, which included staff supervision among its responsibilities, was re-defined and the staff supervision duties eliminated. The overall estimated savings from this change is approximately \$14,093 in 2014.

Fluctuations in the Legal Services budget are primarily the result of the number of elections scheduled in any given year, including Mayoral, Presidential, Congressional and State elections. In 2013, there were only two elections whereas 2014 will have four. The increase due to the higher number of elections is approximately \$115,000.

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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

	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget
Community & Economic Development	1,600,050	1,502,063	1,624,050	1,668,050	1,694,317
Housing and Community Development Grants	1,014,302	686,143	714,066	714,066	583,180
Industrial Park Land Fund	283,992	6,477	238,285	5,000	265,538
Community Development Projects	329,800	177,254	2,823,356	1,509,661	3,533,894
TIF # 2	89,616	7,518	788,694	341,853	770,063
TIF # 3	2,976,210	2,995,437	1,654,505	1,654,505	735,982
TIF # 5	126,937	133,379	37,115	37,115	41,050
TIF # 6	2,530,366	2,810,140	2,577,171	2,580,627	2,724,324
TIF # 7	71,267	289,521	285,086	281,091	255,041
TIF # 8	875,793	1,691,388	108,983	823,104	625,598
TIF # 9	0	0	0	2,635	12,104
TIF # 10				2,635	12,104
Northeast Business Park Escrow	1,319,050	186,201	362,734	359,713	0

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

Community Development Department

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

- Marketing – The Marketing program is 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 – Business Retention activities are 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.
- Planning – This program deals with land use development coordination, local regulation administration, comprehensive planning promotion, and provision of technical information regarding development trends and projections. Specific near-term goals include promoting the philosophy of the VISION 20/20: Comprehensive

CITY OF APPLETON – 2014 BUDGET EXECUTIVE SUMMARY

Plan in all development reviews and via development of implementation plans and coordinating and implementing the Focus Fox River riverfront master plan to ensure a logical and sound utilization of the riverfront corridor.

- Geographic Information Systems (GIS) – This program continues the development of a standardized, coordinate-based and positionally accurate system of layered data for use by City staff and outside clients.
- Diversity – This program is comprised of activities designed to create a fair, equitable, healthy and high-performing organization by encouraging and supporting diversity and inclusion in City employment and developing and implementing community education programs about diversity issues.
- Assessing – During 2012, the City Assessor's office was merged into the Community & Economic Development Department to enable the City Assessor to work full-time on assessing activities. The Deputy City Assessor position was also made an Assessor III position. All prior periods' data have been restated to reflect the change. The Assessor's Office will continue to reassess all property every 4 years to keep assessments near 100% of market value as required by state statutes, to maintain equity, and to provide for small increases. Major goals for 2014 are to complete the revaluation of all 23,500 residential properties in the City and, with the assistance of the Inspections Division of the Department of Public Works, begin a City-wide project to update photographs of all approximately \$26,000 properties. Building inspectors have been cross-trained to assist assessors in updating interior inspections, avoiding the need for separate assessing and inspections site visits and thereby reducing the expense to the City and the inconvenience to the homeowner. Overall, the City experienced a decline in equalized assessed value of 0.6% as home prices have stabilized.

Housing and Community Development Grants

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

- Community Development Block Grant (CDBG)
 - Provide sub-grants and loans to community organizations and individuals for the benefit of low to moderate income persons
- Homeowner Rehabilitation Loan Program (HRLP)
 - Improve Appleton's affordable single-family homes by rehabilitating twenty-four homes for LMI homeowners
- Rental Rehabilitation
 - Improve Appleton's affordable rental housing stock by rehabilitating seven units for low-income occupants
- Neighborhood Revitalization Program (NRP)
 - Improving the vitality of central city areas by addressing needs/concerns in NRP areas as applicable
 - Undertake research to evolve the current NRP design to facilitate more timely/effective improvements

The Community and Economic Development department is the lead on administering the programmatic portion of the CDBG program, while the Finance department assumes the accounting and auditing roles. The City received a 2011 CDBG award of \$565,033, which was an unexpected decrease of 16.45% from the 2010 award. The 2012 CDBG award is \$486,053 (for the period April 1 2012 - March 31 2013), a further 13.97% reduction. Though the 2013 award was a slight increase (\$523,133), given this trend in recent years this budget reflects a further reduction projected for the 2014 grant year, to \$500,000.

Industrial Park Land

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

The 2014 budget includes \$18,000 for advertising and \$12,400 for maintenance and marketing of the remaining 15 acres of land in the City's Northeast Business Park, including weed cutting, berm maintenance, soil testing, environmental reviews, surveys, real estate commissions, title insurance, and other costs associated with selling land. It also includes \$2,125 in labor in preparation for non-TIF infrastructure construction (paving on Eisenhower Drive) related to the further development of Southpoint Commerce Park, and \$200,000 in land purchases to repurchase lots in the Northeast Business Park that are not in compliance with the protective covenants for construction.

CITY OF APPLETON – 2014 BUDGET EXECUTIVE SUMMARY

Community Development Capital Projects

This fund provides for a variety of community development investments.

The 2014 budget will support land acquisition and infrastructure improvements for an exhibition center to be built on land currently owned by Outagamie County in the downtown area (\$2,773,356). A further \$634,386 of concrete paving projects on streets surrounding the proposed site is budgeted in the DPW capital projects fund. Other projects provided for in this capital projects fund are \$250,000 for the acquisition of various potential development sites as they may become available and \$500,000 as a capital contribution to the East Central Wisconsin Revolving Loan Fund, enabling businesses in Appleton access to a pool of approximately \$12 million in potential project funding.

TIF District revaluation by Department of Revenue

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

TIF District # 2

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.

Advances from the General Fund were fully repaid, with interest, in 2012. In accordance with S66.1105(g) of WI State Statutes, the City has extended the life of the district for one year. The City will use at least 75% of the increment received to benefit affordable housing in the City and the remainder to improve the City's housing stock through improving streets and sidewalks in low to moderate income census tracts. The district will close in 2013 and will return funds to taxing jurisdictions in 2014, following a close-out audit.

TIF District # 3 - Downtown

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

The City convened the Joint Review Board in 2011, which approved designating this district as distressed after suffering a reduction in valuation of \$15,445,800 due to state assessment procedure changes as discussed above and a decrease in value for Richmond Terrace. Additional decreases were related to market valuation and to two properties becoming tax exempt (Big Picture and Mission Church) but it is anticipated this will stabilize and valuations will hold moving forward.

In 2014, the General Fund will have a net advance of \$12,421,359 to TIF district # 3 as interest is accrued, not paid, each year.

TIF District # 4 - Northeast Business Park

Tax Incremental District # 4 closed in 2010, with funds segregated in a capital projects escrow account for the remaining cost of projects outstanding. The remaining cash balance was dispersed in 2010 to the participating tax entities according to the applicable percentage of the tax rate.

Northeast Business Park Escrow

As noted above, TIF District # 4, closed in 2010, with funds segregated in this capital projects escrow account for the remaining cost of projects outstanding. The remaining cash balance in TIF # 4 was disbursed to the participating taxing entities according to the applicable percentage of the tax rate. In 2012, all remaining projects

CITY OF APPLETON – 2014 BUDGET EXECUTIVE SUMMARY

to be paid for by the escrow fund will be completed and in 2013 the remaining balance will be disbursed to the participating taxing entities and the fund will be closed out. \$130,222 will be returned to the General Fund.

TIF District # 5 - West Wisconsin Avenue

This fund provides for commercial redevelopment of West Wisconsin Avenue between Gillett and Bennett Streets. There are no infrastructure or development projects planned for TIF # 5 in 2011. In 2010, TIF District # 5 returned \$23,898 to the General Fund on advances made during the early years of the district, which was the remainder of the outstanding balance of advances. No projects are planned for 2014.

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 2014 budget provides funding for maintenance and marketing of property (\$50,200). The balance of the budgeted expenses for this fund are for debt service on the money borrowed to finance capital investments, audit expense, a developer-funded tax incentive payment, and preparatory work for future infrastructure projects. TIF # 6 received an advance from the OPEB Fund of \$1,025,000 in 2010 and of \$275,000 in 2011, along with an advance from the Debt Service Fund of \$781,707 in order to meet debt service obligations. This was needed because of the state assessment procedure changes discussed above and slower land sales and development than originally projected. The TIF District will receive an additional advance of \$160,000 from the General Fund in 2014.

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

The area of South Memorial Drive from Calumet Street to State Highway 441 had deteriorated significantly over the ten years preceding creation of TIF # 7 in 2007. The abandonment of the Valley Fair Mall and the under utilization of various retail and service buildings led the City to create TIF District # 7 to provide targeted investments in this commercial corridor in conjunction with the private market, while recapturing the cost of participation through the increased property tax revenues. The TIF District provides for a 22 year expenditure period to make investments to support the goals of the District, including eliminating blight and encouraging the rehabilitation of properties, enhancing the viability of the businesses, retention of businesses and attraction of new businesses, stabilizing and increasing property values and improving the overall appearance of public and private spaces. Projects completed to-date include the construction of a new Copps grocery store on the site of the former Valley Fair Mall, construction of a gas station / convenience store, and renovation of a movie theater.

The 2014 Budget provides for a developer-funded tax incentive payment of \$251,516.

TIF District # 8 – East Riverfront Development

The City of Appleton's Focus Fox River: A Master Plan identifies several redevelopment sites located along the banks of the Fox River, as well as the opportunities the opening of the Fox River Navigation System will provide the community. The City created Tax Increment Financing (TIF) District # 8 in 2009 to provide targeted investments in this area in conjunction with the private market, while recapturing the cost of participation through increased property tax revenues. The District was amended in 2011 to incorporate the Eagle Flats property, formerly Riverside Paper mill. 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.

Three townhomes were constructed by the developer of the Riverheath Project and two residential buildings were completed in 2012 by Eagle Flats, including the 54 unit workforce housing and 70 units for Appleton Housing Authority residents. The 2014 budget includes funding to pave Riverheath Way and for tax development payments to the developers of both Riverheath and Eagle Flats.

The remediation, demolition and decommissioning of the private dam (raceway) of 935 E. John Street was completed in 2012 with funds from a 0% interest loan with the DNR (\$300,000), a Commerce Grant (\$600,000) and the \$500,000 escrow from Foremost Farms for the remediation of the site. A request for proposal was issued for the property with the goal of site transfer for redevelopment in 2013. While the City obtained title to the property in 2011, payment for the land is not due until 2013. The budget for 2014 includes minimal site maintenance expense in case the property transfer is delayed past the beginning of the year.

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LIBRARY / TRANSIT

	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget
Library	4,193,046	4,108,290	4,195,449	4,327,085	4,260,395
Library Capital Projects	404,492	0	55,000	55,000	0
Frank P. Young Memorial	900	0	0	0	0

Library

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

2013 accomplishments have included:

- Continued high library utilization – circulation expected to total some 1.4 M items in 2013; meeting room use was up 58% in 2010 over 2009, an additional 3% in 2011, 12% in 2012, and approximately 9 % in 2013; an average door count of approximately 49,000 patrons per month
- Utilized 3,379 volunteer hours in the first half of 2013 alone, augmenting the efforts of paid staff by the equivalent of \$36,535 worth of work
- Continued work to improve the website and online service delivery

Major 2014 objectives include:

- Continue cooperation with schools & other community organizations
- Update long range plan
- Continue to explore ways to utilize volunteers more effectively
- Use new technologies for increased productivity
- 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

During 2013, funding was added to bring the Library Assistant – Adult Programming position up to a regular, half-time position. The 2014 budget adds a half time Library Assistant for Hmong outreach to Childrens' Services and adds part time staff hours to allow the library to remain open for one additional hour on Sundays during the school year.

Library Capital Projects

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

In 2013, this fund was used for the replacement of all of the Library's internal security cameras. Access to images from these cameras is strictly restricted to authorized Library staff and, in certain circumstances, to authorized law enforcement personnel. No projects are proposed for this fund for 2014.

Frank P. Young Memorial

This fund is used to account for assets restricted for purposes of generating investment income to provide for scholarships in Library Science. No award was made in either 2012 or 2013 and none is planned for 2014 to allow earnings to accumulate.

	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget
Valley Transit	8,280,410	8,207,467	9,046,621	9,122,621	9,335,846

CITY OF APPLETON – 2014 BUDGET EXECUTIVE SUMMARY

Valley Transit

Valley Transit exists to meet community mobility needs, support economic development, and enhance the quality of life by providing options for efficient and reliable transportation in the Fox Cities.

Significant 2013 events include:

- Bus ridership - through the first eight months of 2013 ridership was up 2% over the same period in 2012;
- Valley Transit continues to face significant funding challenges every year and continues to actively seek and implement solutions to deal with the challenges:
 - a two year Federal Surface Transportation bill, MAP-21, that included language allowing Valley Transit, as a public transit system operating fewer than 75 buses, to continue to receive federal transit operating funds even though the urban area has exceeded 200,000 population as of the 2010 Census was passed by the U.S. Congress on June 30, 2012;
 - The State budget for 2013 continued a 10% decrease in transit funding due to cuts put in place in 2012;
 - Efforts to get the State legislature to approve a Regional Transit Authority (RTA) bill for the Fox Cities continued in 2013. The effort will continue in 2014. Should a bill be passed, a local vote would still be required to authorize creation of an RTA and to establish any additional financial support.
- Implemented recommendations made in the Valley Transit Operations Analysis Plan completed at the end of 2010, reconfiguring routes to better match riders' needs;
- Completed installation of the Intelligent Transit System (ITS), which provides live data about locations, on-time performance, and detours both by route and system-wide; the system was purchased with funding from an ARRA (American Reinvestment and Recovery Act) grant received in 2011.

The budget for 2014 reflects the following:

- Continued work with several consultants to complete the riders survey begun in 2013 and develop a strategic plan for Valley Transit;
- Increased insurance expense, which is a return to the customary level of charges from Transit Mutual Insurance Company following returns of a portion of excess reserves in 2012 and 2013;
- Slightly increased fuel expense, based on input from the State Department of Transportation and city-wide fuel cost projections; and
- Continued operation of the Appleton Downtown trolley and The Connector services. The local share of the trolley is funded by Appleton Downtown, Inc., while that of The Connector is funded primarily by United Way, with additional funding provided by other local partners. All other costs for both programs are funded by federal and state grants.

PUBLIC WORKS

	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget
Public Works	12,911,573	11,629,737	13,709,157	14,537,141	14,505,907
Sanitation	3,411,981	3,322,227	3,416,738	3,670,738	3,762,913
Safe Routes to Schools grant	34,968	0	0	0	0
Subdivision	1,346,806	1,397,431	2,017,675	2,017,675	1,158,878
Public Works Capital Projects	1,284,278	896,817	2,383,975	2,087,282	1,412,637
Parking	2,728,871	2,709,982	2,964,566	2,964,566	2,991,256
CEA	5,195,415	5,112,495	5,145,154	5,291,619	5,289,042
CEA Replacement	2,166,453	1,641,613	2,495,633	2,410,349	2,276,114

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.

CITY OF APPLETON – 2014 BUDGET EXECUTIVE SUMMARY

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

Major objectives included in the 2014 budget are the following:

- Work with the Wisconsin Department of Transportation to complete the Highway 41 / 47 interchange improvements and the Town of Grand Chute to complete a joint Meade Street improvement project;
- Assist the City Assessor with a City-wide photo project to update photographic records of all 26,000 properties in the City;
- Implement the fourth year of the adopted City-wide on-street bike lane program; and
- Continue to work with surrounding communities on the possibility of joint bidding projects such as pavement marking and patch programs.

Other significant items reflected in the 2014 budget are as follows:

- Addition of a .5 FTE clerical position to the 5th floor City Hall customer service team;
- Repair and painting of the pin and hanger system under the Memorial Drive Bridge (\$180,000).

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 2013 budget included two major operations changes intended to increase the volume of recyclables collected and decrease that of solid waste, thus reducing tipping fees. First, overflow trash pickup, previously done once a month, was eliminated, along with one Operator I position that had been held vacant. Bulky overflow pickup (furniture, appliances, etc.) for all households in the week opposite recycling pickup continue. Second, we implemented automated pick-up residential recycling carts for use in single-stream residential recycling. Carts are 96 gallon wheeled bins and are owned by the City and distributed to residents, similar to the automated pick-up trash cans. A \$3 / quarter recycling surcharge was put in place in 2013 to finance the acquisition of the carts and their continued maintenance. The 2014 budget adds a second size cart (size to be determined) and restores a .5 FTE operator position and adds a pickup truck with lift gate to manage the cart inventory (\$75,913). Purchase of the additional carts (\$91,638) is budgeted in the Public Works Capital Projects fund.

Safe Routes to Schools Grant

This was a new program in 2009 and included two competitive grants awarded by the State of Wisconsin, the Safe Routes to Schools grant and the On-Street Bicycle Lane Plan grant. The Safe Routes to Schools grant was for \$71,426 and did not require a match while the Bike Lane grant funded 80% of a \$50,000 project, with the required 20% match (\$10,000) coming from property taxes. Neither of these grants is available any longer.

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 2014 budget includes no costs that will be drawn from developers' lines of credit. For ease of administration, all other expenditures in this budget will be administered by the City for immediate reimbursement by the developer, versus direct payment from the line of credit to the vendor.

The budget for this capital projects fund fluctuates depending on the projects which are needed in any given year, their number, and their scale. The number of people electing five year plans to pay special assessments has

CITY OF APPLETON – 2014 BUDGET EXECUTIVE SUMMARY

increased, thereby reducing cash flow in this fund and necessitating a property tax levy of \$500,000 to comply with the fund balance policy as well as the City cost share of the concrete streets remaining under the previous program.

Public Works Capital Projects

This fund provides for a variety of Public Works capital needs. For 2014, this fund will be used to account for:

- Traffic signal equipment improvements (\$44,430),
- Expansion of the traffic camera program (\$37,520),
- Bridge improvements (\$40,000);
- Survey instrument replacement (\$40,000);
- Meade Street reconstruction (\$1,158,749); and
- Residential recycling containers, (\$91,638).

Parking Utility

The Parking Utility implements and administers the adopted parking policies, maintains a clean, reliable on- and off- street parking system, collects and processes revenues, and enforces City parking ordinances and state statutes to ensure compliance for safety and facilitate availability of parking spaces. Rates are established to maintain the financial solvency of the Parking Utility and its independence from City tax levy funding. The 2011 budget included \$10,000 to develop and implement a marketing plan for a customer service based downtown parking system. Based on that marketing plan and recommendations from the parking advisory committee, which consists of a diverse cross-section of downtown businesses and customers, efforts begun in 2012 were continued in 2013 with installation of on-street way finding signage for the four ramps, decorative LED lighting on the ramps, and a pilot program to evaluate the feasibility of credit card usage at the Red ramp. The 2014 budget continues the efforts to improve signage and lighting and expands credit card use to all ramps and the LUKE parking pay stations. It also includes:

- The release of Lot 9 to Outagamie County in relation to the agreement proposed for construction of the Fox Cities Exhibition Center (one-time revenue of \$22,737 initially budgeted for 2013 but delayed along with the overall project), and
- \$140,000 for a demolition assessment of the Blue parking ramp and site selection and size determination for its eventual replacement.

Central Equipment Agency (CEA)

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 an item reaches its scheduled replacement point, its condition is evaluated and a determination made to replace or to retain it. Replacements are funded out of the replacement reserve, accounted for in a separate capital projects fund listed below.

The 2014 budget reflects:

- Installation of fuel spill containment devices on the fuel dispensing system at the Municipal Services Building, reinstalling or replacing the fuel dispensers and replacing the existing fuel distributing system software and fuel ring devices (\$150,000);
- An increase in the CEA fleet size with the inclusion of six (6) CEA and eleven (11) seasonal vehicles previously not included as part of the authorized fleet;
- A slight decrease in fuel expense (approximately \$5,000 from the 2013 adopted budget - Unleaded fuel is budgeted at \$3.08 per gallon for 152,000 gallons (vs 3.29 in 2013 for 142,000 gallons) and diesel fuel at \$3.47 per gallon (vs \$3.51 per gallon in 2013), with no change in the expected quantity purchased; and
- A .5 FTE reduction in the table of organization to reflect the change that has been tested for the last two years of funding for 1.5 Serviceman positions vs 2.0.

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.

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PUBLIC HEALTH & SAFETY

	2010 Actual	2011 Actual	2012 Budget	2012 Projected	2013 Budget
Health Services	1,164,690	1,127,786	1,150,348	1,154,893	1,153,235
Health Services Grants	282,395	189,862	174,281	141,821	182,559

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 check-weighing, and label verification. They also monitor business methods to prevent fraudulent advertising and trade practices and provide investigative services for the City Clerk's Office in licensing and regulating going out of business sales, commercial solicitors, and second hand and salvage dealers. Since mid-2003, this program has provided weights and measures certification services to surrounding communities for 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 155 days of certification services, compared to 77 days in 2004, the first full year of the program. The rate for these services for 2014 is \$412 per day.

Health Services Grants

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

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

Early and frequent nursing intervention has been documented in research studies to positively impact the outcome of parenting and child development. In 2014, this program will provide approximately 10 women with prenatal care.

- Vaccine Improvement Plan Grant – The department's immunization program is expected to administer vaccines primarily to children from 2 months through 18 years of age and assist in developing the immunization infrastructure necessary to raise immunization levels and prevent vaccine preventable diseases such as diphtheria, tetanus, pertussis, polio, measles, mumps, rubella, haemophilus influenza B, varicella, rotavirus, and hepatitis B. This program reached over 6,000 individuals in 2010 and over 2,000 in 2011 reflecting completion of H1N1 vaccine in early 2011 and completion of catch up to target groups for HPV, Menatra, Tdap, and Varicella vaccines. It served approximately 1,000 in each of 2012 and 2013.

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With the advent of the Affordable Care Act, more vaccines will be administered in physicians' offices and the role of the Health Department will shift from direct service to assurance. The Health Department will continue to monitor both vaccination rates and rates of illness from vaccine-preventable diseases.

- 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 from the State of Wisconsin to support training to deal with public health emergencies which may result from bioterrorism or a naturally occurring event such as an influenza pandemic. While the threat of a terrorist incident has been the driving force in these response plans, they are equally effective in any public health emergency, whether it is the result of violent weather, an unexpected disease outbreak, or a hazardous materials accident that may pose a threat to the community.

In 2010, State funding was reduced and redirected and the three then existing consortia within Northeast Wisconsin became a single consortium serving 28 agency members, with Brown County serving as the fiscal agent of the larger consortium. 2012 funding for this effort was further reduced and the Education Specialist position, which had been held vacant following the departure of that individual, was eliminated and a .5 FTE Administrative Secretary position was reallocated back to the General Fund portion of the Health Department. Agreements have been reached with Manitowoc, Marquette, Waupaca, and Waushara counties to provide staff support for preparedness planning activities. The Cities of Oshkosh and Neenah, formerly participants in this arrangement, have recently merged their public health departments with that of Winnebago County and are participating as a group.

	2010 Actual	2011 Actual	2012 Budget	2012 Projected	2013 Budget
Police	15,250,205	15,188,362	15,894,399	15,920,387	15,966,726
Police Grants	88,210	117,893	109,500	230,934	180,434
Public Safety Capital Projects	0	75,829	1,697,525	1,704,520	206,020

Police

The Appleton Police Department is a community responsive law enforcement organization that strives to fight crime and solve community problems. The APD strives for excellence in police service by providing employees with a positive, supportive and professional environment that encourages innovative problem solving to enhance the quality of life in our community.

Significant events in 2013 include:

- Upgrade of the department's mobile and portable radios in conjunction with completion of Outagamie County's 800 Mhz radio communication tower construction project,
- Receipt of multiple grants from the State of Wisconsin Department of Transportation related to traffic safety, including creating a multi-jurisdictional alcohol enforcement task force in Outagamie County, and
- Receipt of the department's third canine member, replacing our first canine who has retired.

Specific objectives for 2014 include:

- Re-examine district and shift staffing levels to maximize resource utilization;
- Collaborate with other law enforcement agencies, City departments, and the community to address drug and gang related activity; and
- Continue to develop crime fighting and problem solving efforts through partnerships, monitoring law enforcement trends, improved communications, and developing collaborative efforts with other organizations and businesses in the community.

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The 2014 Budget includes:

- The addition of one entry level officer, with funding to come from available 2013 unexpended general fund budget or, if that proves insufficient, by reallocating the approved 2014 Police budget; and
- The addition of a second full time Lead Community Service Officer, offset by a reduction in the full time equivalent number of part time Community Service Officers.

Police Grants

This fund is used to account for receipt of various grants to enhance public safety and the corresponding expenditures. In 2014, it will be used to account for grants from the State of Wisconsin to assist the Police department in enhancing pedestrian and bicycle safety (\$4,000), alcohol and OWI enforcement (\$30,000 and \$10,000, respectively), and from the Federal Department of Justice Byrne Grant (\$10,000), and continuation of the Beat grant from the office of Justice Assistance (\$121,434).

Public Safety Capital Projects

This fund provides for a variety of Public Safety capital needs, both for Police and Fire. For 2014, this fund will be used to account for an upgrade of emergency vehicle signal preemption equipment (allows fire trucks to control signals at intersections as they approach them; \$121,020), the final year of Fire personal protective equipment replacement (\$32,000; future replacements will be budgeted incrementally in the operating budget), and replacement of the Fire department's rescue boat (\$53,000). No Police capital projects are budgeted for 2014.

	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget
Fire	10,029,288	10,470,496	10,695,878	10,81,9233	10,779,514
HazMat Level A	113,601	110,354	70,643	70,643	75,075

Fire

In partnership with the community, the Appleton Fire Department protects lives and property from the adverse effects of fires and dangerous conditions through prevention, education, rescue services, and response. The department also provides a Regional Hazardous Materials Response Team (HazMat Level A), discussed below.

Major events in 2013 include:

- Serving as host agency for an Outagamie County-wide FEMA Assistance to Firefighters grant of \$1 million for radio equipment and infrastructure; and
- Working on two additional FEMA Assistance to Firefighters grant projects – installation of ten-year life lithium-ion battery powered smoke detectors for low to moderate income (LMI) households, and a \$265,500 grant towards replacement of all of the department's SCBAs (Self Contained Breathing Apparatus).

In 2014 the Appleton Fire Department will strive to meet the City of Appleton's goals by:

- Improving awareness of changing community needs and diverse community populations and their effect on our levels of service and programs
- Maintaining identified levels of service in a cost-effective manner by providing quality programs to our community
- Providing a quality work environment which both encourages and enhances employee participation and growth

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.

Wisconsin Emergency Management, which is the State agency responsible for planning and responding to support hazardous materials incidents, has finalized contract extensions with the regional hazardous materials teams through June 30, 2015. Prior to the expiration of the previous contract in June 2013, hazardous materials teams throughout the State were categorized as regional teams. These teams were tasked to evaluate their

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capacity and recommend changes to the previously existing structure. As a result of this review, the Cities of Appleton, Oshkosh and Green Bay are now identified as Type II teams rather than a regional team. The primary difference is a lack of weapons of mass destruction capability in the Type II teams. Funding for hazardous materials response has been reduced for 2014.

DEBT SERVICE

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

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs, excluding that payable from proprietary funds. The City has the top credit rating of Aaa on its G.O. debt and keeps borrowing below 20% of the legal debt limit as a matter of policy.

Debt Service Funds	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget
Debt Service Funds	8,571,674	10,154,974	6,152,608	6,631,608	5,090,815

The City issued no general obligation debt in either 2010 or 2011 and delayed borrowing for 2013 due to timing on several projects. This has allowed the City to use tax levy dollars for operations that would have been used for debt service. In the 2014 budget, the levy for debt service, at \$2,825,388, is at its lowest level since 2006. We anticipate borrowing in 2014 for both 2013 and 2014 capital projects. Combining projects in a single debt issue helps to minimize debt issuance expense and will delay the increase in the levy needed for overall debt service to 2015.

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.

	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget
Water Utility	16,949,977	17,403,177	18,416,722	19,077,469	19,027,999

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 current rates for water service have been in effect since December 31, 2010. An inflationary rate increase request to the Public Service Commission (PSC) that was planned for mid-year 2013 was not submitted as the utility did not meet the requirements to file for this type of increase. The utility will begin the full rate increase application process in 2015.

The Department of Public Works portion of the Water Utility is divided into three components, Customer Service, Operations and Maintenance, and Capital Projects. Capital Projects includes identifying, planning, designing, and constructing replacements for failing and inadequate transmission mains, hydrants, and services to reduce system failures and expand the existing water distribution system to accommodate growth areas. Operations and Maintenance includes preventive maintenance and general upkeep of the distribution pipelines, including transmission mains, hydrants, and valves to keep the system operating, reduce treated water loss, and comply

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with 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.

A major goal for 2014 is to complete the Regulatory Upgrade and Process Improvement Project which was budgeted and begun in 2013. The project is composed of seven separate projects that will enhance treatment levels for cryptosporidium and virus inactivation, as well as improve existing processes. This aggregate project consists of the following:

1. The lime system will be equipped with high density mixers and delivery equipment. The existing lime slakers have reached their life due to the aggressive nature of acids that are used to maintain this equipment.
2. The facility will be reviewed for enhanced treatment and complete demonstration projects to ensure high standards for water quality treatment.
3. The CT basins will be upgraded with baffling to increase disinfection effectiveness.
4. The existing GAC contactors will be upgraded to dual media filters as defined by regulatory code.
5. The treatment train will include an ultraviolet light process that will be used to inactivate cryptosporidium.
6. The ammonia system will be equipped with day tanks for better process control and delivery requirements.
7. All regulatory and process improvement projects will be integrated into the current Supervisory Control and Data Acquisition (SCADA) system. A reporting software program will be included to increase systems security and reduce the potential for error from the current program that utilizes an open architecture.

The 2014 Budget for treatment operations also includes the following:

- Increased payments for the Koch Warranty Agreement (\$49,000) - The Koch Warranty agreement has increased payment amounts in the final two years of the contract as well as a CPI adjustment on each quarterly payment.
- Increased personnel expense – The increase reflects the need for an additional 500 staff labor hours (a mix of regular and overtime hours) that will be needed during the UV Process Improvement project for training and process testing.

The budget for treatment capital projects includes the following:

- Water tower design services (\$200,000) for a new 1.0 M gallon water tower to be constructed in 2015 to serve the north pressure loop, replacing the 0.5 M gallon Oneida Street tower which is at the end of its useful life;
- Installation of a mixer in the north reservoir (\$60,000) to maintain even water temperatures and dispersal of disinfectants in the stored water, thus limiting bacterial growth; and
- Upgrades and replacements of security cameras in and around the water treatment plant (\$100,000).

The budget for distribution includes \$1,860,073 for the second year of the meter installation project to replace 27,738 residential meters and meter reading equipment. This project is expected to be completed in 2016. The meter installation work will be done internally, utilizing 1.5 FTE additional meter technicians in addition to the 2.5 FTE normally allocated to meter repair and replacement. The budget also includes the first year's expenses related to data hosting (\$21,050) and software support (\$4,500) for the new radio read meter system. Other infrastructure capital improvements are budgeted at \$2,665,988 for installation and reconstruction of water mains.

	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget
Wastewater Utility	10,937,113	10,113,181	10,871,676	11,119,457	10,558,472

Wastewater Utility

The City of Appleton Wastewater Treatment Plant (WWTP) 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 current rates for the wastewater service went into effect July 1, 2011. A tiered rate system for special hauled waste from outside the service area had already gone into effect January 1, 2010. No further rate increase is expected until 2015, when a rate increase of approximately 3% is projected to go into effect.

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

The wastewater utility budget includes funding for various necessary capital improvements in both treatment and collection systems. In addition to the operating expense shown above, the budget includes:

- \$2,799,422 of sanitary sewer reconstruction projects;
- \$ 450,000 for pump replacements in the Everett Street lift station;
- \$ 65,000 for second trailer mounted generator to provide emergency backup power at various lift stations;
- \$ 225,000 for digester improvements, upgrading the existing compressor mechanical and electrical systems to reduce future electric utility expense;
- \$ 99,200 to improve storage of retaining wall components used in the solids storage building;
- \$ 50,000 for road replacement;
- \$ 30,000 for fence replacement;
- \$ 135,000 for roof replacement on building V and roof soffits on buildings A, S, & V.

	2011 Actual	2012 Actual	2013 Budget	2013 Projected	2014 Budget
Stormwater Utility	5,962,653	6,542,573	6,317,426	6,623,802	7,022,668

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 stormwater facilities to ensure compliance with established regulations, protect surrounding infrastructure and the environment, increase the acres of land for development and prevent system failures. The Stormwater billing rate is based on the Equivalent Residential Unit (ERU), a measure of impervious surface area. The current rate of \$155 per ERU went into effect July 1, 2013. The next rate increase is projected to be approximately 18% and is anticipated to take effect on July 1, 2016.

The operating budget shown above reflects higher levels of expenses related to existing stormwater facilities, including bond interest, depreciation, and facilities maintenance. In addition to operating expense, the budget included \$4,979,049 of stormwater facilities construction, including \$2,700,000 in land acquisition and the first phase of construction of planned flood reduction improvements in the West Wisconsin Avenue study area.