



**2017 BUDGET WORKSHOP #6 –
2017 BUDGET UPDATES/2017 CAPITAL
IMPROVEMENT PROGRAM**

November 2, 2016, 5:00 PM

Room 404, City Hall

2017 Budget / 2017 Capital Improvement Program (CIP)
COUNCIL / STAFF WORKSHOP #6
November 2, 2016 5:00 PM
Room 404, City Hall

AGENDA

- I. CIP Project Discussion by Category (page numbers from version 10.14.16)
 - a) Comprehensive Streets / Utility Improvements
 - Page 2017-2 – 2017-6
 - b) Other Streets
 - Page 2017-7 – 2017-9
 - c) Other Utilities
 - Page 2017-10 – 2017-11
 - d) Storm Water Utility
 - Page 2017-12 – 2017-17
 - e) Water Utility
 - Page 2017-18 – 2017-20
 - f) Waste Water Utility
 - Page 2017-21 – 2017-23
 - g) Sidewalks
 - Page 2017-24 – 2017-25
- II. 2017 Budget Updates
 - a) Final ERP Numbers - Adjustment required (Page 1)
 - b) Status of Levy (Page 2)
 - c) Guide to Balancing Budget (Page 5)
 - d) Assess Impact of Decision(s) on Future Budget Years
- III. Budget Amendments Being Proposed by Staff and Council (Page 1-2)
- IV. Capital Improvement Program Amendments being Proposed by Staff (Page 4)
- V. Department Response – Enhancement Funding (Page 6-9)
- VI. Remaining Milestones for 2017 Budget
 - a) 11/09/16 - Public Hearing
 - b) 11/11/16 - Prepare 2017 budget changes/additions for council
 - c) 11/18/16 - Prepare 2017 final budget changes/additions for council
 - d) 11/24/16 - Council Adopt 2017 Budget and 2017 Capital Improvement Program



TO: Honorable Mayor and Members of the Common Council

FROM: Trena Larson, Finance Director

DATE: October 31, 2016

RE: Expenditure Restraint Program (ERP) Payment notification

Today the City received notice from the Department of Revenue of the final calculations which determine the allowable increase in our 2017 "net general fund budget". Unfortunately, the City will now be held to 1.60% increase verses the 1.70% we had anticipated. What this translates to is the proposed budget will now need to be cut by \$45,600. This can be accomplished by reducing the unclassified budget/uncollectible account. While this cut will have minimal exposure for the City, I am optimistic that this reduction is obtainable as long as property tax recessions/refunds are moderated.

City of Oshkosh
 2017 BUDGET AMENDMENTS
 Proposed 11/2/2016
 EXHIBIT A

Proposed Budget Amendment(s)									
Department/Program/Revenue	Description	Additional/(Reduced) Expenditures	(Additional)/Lost Revenues	Net (Savings)/Cost	Tax Rate Impact \$0.01 = \$ 35,091.31	Proposed Levy \$ 36,344,100.00	% Levy Increase/Decrease	Mill Rate 10.35700787	Expenditure Restraint BALANCED
GENERAL FUND									
Unclassified/Uncollectible Accounts	Amend to balance with ERP - Staff	\$ (45,600)		(45,600)	\$ (0.01299)	\$ 36,298,500.00	5.87%	10.344013200	Yes
1				0	\$ -	\$ 36,298,500.00	5.87%	10.344013200	
2				0	\$ -	\$ 36,298,500.00	5.87%	10.344013200	
3				0	\$ -	\$ 36,298,500.00	5.87%	10.344013200	
4				0	\$ -	\$ 36,298,500.00	5.87%	10.344013200	
	General Fund Subtotal	\$ (45,600)	\$ -	(45,600)					
GENERAL FUND SUPPORTED									
5				0	\$ -	\$ 36,298,500.00	5.87%	10.344013200	
6				0	\$ -	\$ 36,298,500.00	5.87%	10.344013200	
7				0	\$ -	\$ 36,298,500.00	5.87%	10.344013200	
8				0	\$ -	\$ 36,298,500.00	5.87%	10.344013200	
9				0	\$ -	\$ 36,298,500.00	5.87%	10.344013200	
	General Fund Supported Subtotal	\$ -	\$ -	0					
NON-GENERAL FUND SUPPORTED									
10									N/A
11									N/A
12									N/A
13									N/A
14									N/A
15									N/A
	Non-General Fund Subtotal	\$ -	\$ -	0					

2016 Levy	\$	34,286,700.00
2017 Adjusted Levy	\$	36,298,500.00
Increase in Levy over prior year	\$	2,011,800.00
% Increase in Levy		5.87%
Mill Rate		10.344013200

Changes from Budget Adoption									
Department/Program/Revenue	Description	Additional/(Reduced) Expenditures	(Additional)/Lost Revenues	Net (Savings)/Cost	Tax Rate Impact \$0.01 = \$ 35,091.31	Proposed Levy \$ 36,298,500.00	% Levy Increase/Decrease	Mill Rate 10.3440132	Expenditure Restraint BALANCED
17				0	\$ -	\$ 36,298,500.00	5.87%	10.344013200	
18				0	\$ -	\$ 36,298,500.00	5.87%	10.344013200	
19		\$ -	\$ -	0	\$ -	\$ 36,298,500.00	5.87%	10.344013200	
20		\$ -	\$ -	0	\$ -	\$ 36,298,500.00	5.87%	10.344013200	

Total of all options \$ - \$ - \$ - \$ -

2017 Proposed Levy	2017 Proposed Mill Rate	Increase over prior years levy	% increase of prior year's levy
\$ 36,298,500.00	\$ 10.344013200	\$ 2,011,800.00	5.87%

City of Oshkosh
2017 BUDGET OPTIONS COMMON COUNCIL
11/2/2016

Proposed Budget Options

Department/Program/Revenue	Description	Additional/(Reduced) Expenditures	(Additional)/Lost Revenues	Net (Savings)/Cost	Tax Rate Impact \$0.01 = \$ 35,091.31	Proposed Levy \$ 36,344,100.00	% Levy Increase/Decrease	Mill Rate 10.35700787	Expenditure Restraint BALANCED
Option A									
Unclassified/Uncollectible Accounts	Amend to balance with ERP (Staff)	\$ (45,600)		(45,600)	\$ (0.01299)	\$ 36,298,500.00	5.87%	10.344013200	Yes
1a Acting Detective (DTF), and Sergeant	Add Enhancement (Steve H)	\$ 224,600		224,600	\$ 0.06400	\$ 36,523,100.00	6.52%	10.408017645	No
2 HR Generalist	Add Enhancement (Steve H)	\$ 81,500		81,500	\$ 0.02323	\$ 36,604,600.00	6.76%	10.431242767	No
3 Library/Community Engagement Librarian	Add Enhancement (Partial - Lori P)	\$ 25,000		25,000	\$ 0.00712	\$ 36,629,600.00	6.83%	10.438367037	No
4 Police/Add IAPRO Software	Add Enhancement (Lori P)	\$ 35,400		35,400	\$ 0.01009	\$ 36,665,000.00	6.94%	10.448455004	No
5 Fire/Salary Savings	Restore reduction (Lori P)	\$ 100,000		100,000	\$ 0.02850	\$ 36,765,000.00	7.23%	10.476952086	No
Option A Subtotal		\$ 420,900	\$ -	420,900					
Option B									
Unclassified/Uncollectible Accounts	Amend to balance with ERP (Staff)	\$ (45,600)		(45,600)	\$ (0.01299)	\$ 36,298,500.00	5.87%	10.344013200	Yes
2 HR Generalist	Add Enhancement (Steve H)	\$ 81,500		81,500	\$ 0.02323	\$ 36,380,000.00	6.11%	10.367238321	No
1b Police/Add Vice & Narcotic Sergeant	Add Enhancement (Partial - Lori P)	\$ 115,900		115,900	\$ 0.03303	\$ 36,495,900.00	6.44%	10.400266439	No
3 Library/Community Engagement Librarian	Add Enhancement (Partial - Lori P)	\$ 25,000		25,000	\$ 0.00712	\$ 36,520,900.00	6.52%	10.407390709	No
4 Police/Add IAPRO Software	Add Enhancement (Lori P)	\$ 35,400		35,400	\$ 0.01009	\$ 36,556,300.00	6.62%	10.417478676	No
5 Fire/Salary Savings	Restore reduction (Lori P)	\$ 100,000		100,000	\$ 0.02850	\$ 36,656,300.00	6.91%	10.445975758	No
Option B Subtotal		\$ 312,200	\$ -	312,200					

	<u>Option 1</u>	<u>Option 2</u>
2016 Levy	\$ 34,286,700.00	\$ 34,286,700.00
2017 Adjusted Levy	\$ 36,765,000.00	\$ 36,656,300.00
Increase in Levy over prior year	\$ 2,478,300.00	\$ 2,369,600.00
% Increase in Levy	7.23%	6.91%
Mill Rate	10.476952086	10.445975758

AMENDMENTS

2017 CAPITAL IMPROVEMENT PROGRAM ADJUSTMENTS

	PAGE	SANITARY	PROP. IMP. EQUIPMENT	PARK IMPROVE.	TIF	STORM	WATER	TRAFFIC STREETS SIDEWALKS	TOTAL
DELETE									
* Project Contingency	41	\$ -	\$ (40,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (40,000)
* Oshkosh Convention Center Parking Ramp Improvements (Duplicate)	33	\$ -	\$ (60,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (60,000)
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ (100,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (100,000)
ADD									
* Implement People of the Waters <i>Funding Source: Replace Durow Contribution \$100,000, with GO Borrowing \$60,000 and \$40,000 Levy Contribution</i>	34	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

* Staff Amendments
 ** Council Amendments

A Guide to Reallocating Budgeted Funds

Council has discretion to move funds, understanding the limit and impact of how funds are reallocated:

	FUNDS ALLOCATED TO:	ALTERNATIVE FUNDING OPTIONS:	NOT RECOMMENDED AS ALTERNATIVE FUNDING OPTIONS:	NOTES
LEVY FUNDED	Ongoing Personnel, Operations & Maintenance Costs	<ul style="list-style-type: none"> • Other Personnel Positions • Other Departments • Other Funds • Lower Current Year Levy (by reducing expenditures) • Lower Current Year Debt (Increase levy being applied to CIP's) 	Other funds that should be self-supporting or going below Expenditure Restraint Program allowable increase (use it or lose it)	Most versatile; understand impact and possible cost implications
	One Time Operation & Maintenance /Temporary Personnel	Other Levy funded Programs <ul style="list-style-type: none"> • Capital Expenses (Operations Budget) • CIP • Lower Current Year Levy (Reduce Expenditures) • Lower Current Year Debt (Increase Levy being applied) 	Full Time or other long term commitments; non-general fund expenditures	Could require additional maintenance or repair costs May impact service delivery if one time expenses are delayed too long
	Capital Outlay (operating budget)	Other Levy programs that are intended to be one time in nature	Full Time staff or other long-term commitments	
	Capital Expenditures – Levy Funded Capital Improvement Program	<ul style="list-style-type: none"> • Other Levy Programs • Lower Current Year Debt (Increase Levy being applied) 	Full Time staff or other long term commitments	Trend should be to fund more capital expenditures with levy to lower debt
BORROWED	CIP's	<ul style="list-style-type: none"> • Other Debt Funded CIP's • Lower Current Year Debt (Increase Levy being applied) 	Prohibited uses: <ul style="list-style-type: none"> • Operation costs • Personnel • Short Term Capital 	Goal is to borrow less
TIF	TIF CIP's	<ul style="list-style-type: none"> • Other TIF eligible CIP's • Eligible Donor TIF's 	Prohibited Uses: <ul style="list-style-type: none"> • If it cannot be tied to TIF Goals 	May be used creatively if it can be tied to TIF goal. Could also be used to close TIF early.
UTILITY	Utility CIP's	<ul style="list-style-type: none"> • Lower current year debt • Reduce future years debt payments 	Prohibited uses: <ul style="list-style-type: none"> • Redirect to utility operation cost • Redirect into another utilities capital project 	May or may not impact user rates in short term

TO: Mark Rohloff, City Manager

FROM: Allen Davis, Community Development Director

DATE: November 1, 2016

SUBJECT: 2017 Operating Budget and CIP reductions for Budget Enhancements

At the City Council's request, I have reviewed the general fund budgets within Community Development to help fund \$50,000 in budget enhancements. I have reviewed the budget with Division Directors and cannot identify any significant cost savings that would not result in service delivery reductions that would impact implementation the City's Strategic Plan. The Planning Division's work on Neighborhood Revitalization would be adversely affected with any reduction of staff. Likewise, any Economic Development reduction would adversely affect the many economic and redevelopment projects the staff is working on. The Assessor Division is working on a city-wide revaluation in 2017 and any reduction would jeopardize the timely completion of that work, which is already under contract.

Capital Improvements that would have a budget impact cannot include the TIF financed projects, they are not funded with City dollars. There are 3 CIP projects funded with City borrowing:

\$175,000 Great Neighborhoods which has been reduced and funds neighborhood generated projects. Less funding will result in fewer projects advancing.

\$300,000 Blight removal for Neighborhood Redevelopment which is needed for any possible acquisition, demolition and remediation of blighted houses or commercial buildings for high priority projects – like the Buckstaff project. Less funding could delay blight removal and redevelopment.

\$25,000 Riverwalk signage – wayfinding, kiosk or regulations. No funding would result in no signage on the riverwalk.

The Budget Enhancement for the \$50,000 Quality of Life marketing could be funded through a combination of TIF District funds, similar to the parking study. The purpose of the Quality of Life marketing is to bring more tourists, visitors, employees and businesses to the City, including the TIF Districts.



City of Oshkosh
Parks Department
805 Witzel Ave., PO Box 1130
Oshkosh, WI 54903-1130
(920) 236-5080 (920) 232-5316 FAX

Ray Maurer
Director

TO: City Manager Rohloff and Finance Director Trena Larson
FROM: Ray Maurer, Parks Director
DATE: October 27, 2016
RE: Enhancement funding for Parks Trades Technician

As requested, following is our department's proposed funding option for the budget enhancement request for a full time Parks Trades Technician position that was eliminated following a retirement in 2014.

Parks General Fund Budget (100-0610) savings totaling \$52,000

Regular Pay – Temp Employee (6103) reduced from \$68,000 to \$33,800 resulting in **\$34,200 in savings**. Reduces the number of seasonal employees hired by the department in exchange for a qualified, year-round full time Parks Trade Technician.

Payroll – Indirect Labor (63xx) reduced from \$344,900 to \$342,300 resulting in **\$2,600 in savings**. FICA savings from reduction in seasonal pay above.

Contractual Services (6401) reduced from \$37,000 to \$32,000 resulting in **\$5,000 in savings**. Anticipated savings from department staff completing work/projects versus contracting this work out.

Capital Outlay (7204) reduced from \$10,200 to \$0 resulting in **\$10,200 in savings**. The purchase of an electric utility cart would be deferred as parks staff strongly believes a qualified, year-round full time Parks Trade Technician is top priority.

Forestry General Fund Budget (100-0620) savings totaling \$2,200

Regular Pay – Temp Employee (6103) reduced from \$8,000 to \$6,000 resulting in **\$2,000 in savings**. Reduces the number of seasonal employee hours in exchange for a qualified, year-round full time Parks Trade Technician.

Payroll – Indirect Labor (63xx) reduced from \$85,100 to \$84,900 resulting in **\$200 in savings**. FICA savings from reduction in seasonal pay above.

*Total cost of 2017 enhancement = \$53,400
Total cost savings above = \$54,200*



City of Oshkosh
Administrative Services/ HR Division
215 Church Ave, Room 401
Oshkosh, WI 54903

TO: Mark Rohloff, City Manager, and Trena Larson, Finance Director

FROM: Pam Resch, Human Resource Manager, Administrative Services/HR Division

DATE: November 1, 2016

Re: Operating Budget Reductions

In response to the request from council for departments to consider reductions in their proposed budget, in order to help fund enhancements, I have conducted an analysis regarding non-fixed cost elements of the HR budget.

Contractual services, for example, is one such element that includes pre-employment screenings, employee assistance programs, legal and professional services.

Another example is the performance management and organizational development areas which include analysis, training and recognition components that are intended to improve employee engagement, morale, and provide for effective utilization of our human resources.

Although these programs are not a requirement, they are a critical part of HR support to all departments as well as the Council. Any reductions in these areas would negatively impact our organization and also be inconsistent with the direction outlined in our strategic plan.

The corresponding reductions total \$13,700.

Please contact me with any questions or concerns. Your consideration of this enhancement is appreciated.

Cc: John Fitzpatrick, Assistant City Manager/Director of Administrative Services



City of Oshkosh Police Department

420 Jackson Street
Oshkosh, WI 54901
Tel: 920-236-5720
Fax: 920-236-5087
dsmith@ci.oshkosh.wi.us
www.oshkoshpd.com

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Dean Smith
Chief of Police

TO: Mark Rohloff, City Manager

FROM: Dean Smith, Chief of Police

DATE: October 27, 2016

Re: Operating Budget reductions

A request was made by the council for Department's to consider any reductions in their proposed budget to help fund enhancements. I have reviewed my budget and cannot identify any further substantive reductions that would not have an adverse impact on police operations.

I would like to note that currently 94% of my budget is personnel related. I have also had a reduction of one squad from the budget at a cost of \$28,000. This does not take into account those items that have been requested by my staff that I cut prior to submitting my budget request.

DMS