



2022 General Fund Budget Overview

INTRODUCTION

The Village Board of Trustees and the Administrator have a positive outlook for the Village of Marathon City. The Village of Marathon City continues to grow through commercial and residential development. Both the equalized and assessed values of the Village grow in 2021 driven largely by new construction of \$3,320,500. Village equalized by grew to \$175,316,300 and assessed value grew to \$150,037,400. We continue to seek opportunities to strategically grow the Village both in value and size. We are focused on leveraging relationships and opportunities to provide the greatest benefit to our residents.

As we exit from the global COVID-19 pandemic, we continue to focus efforts the near term and long term effects on our community, region, state and beyond. The Village will pursue recovery funds allocated at Federal, State and County levels to undertake projects that benefit our community and region. The potential passage of a Federal infrastructure may provide additional grant opportunities for Marathon City and assist in funding of multiple infrastructure projects within the Village.

The Board of Trustees for the Village of Marathon City has identified the following primary drivers for the 2022 budget cycle:

1. The Village is committed to providing core services for Public Works (i.e. Streets and Sanitation) and Public Safety (i.e. Police and Fire).
2. The Village is committed to the continued commercial and residential growth of the Village focusing on infrastructure expansion north of STH 29.
3. The Village is committed to the continued revitalization of our downtown and business corridor with specific focus on securing a grocery store.
4. The Village is seeking to increase the recreational opportunities and facilities within the community, specifically plans to expand and relocate Veteran's Park.
5. The Village is committed to retaining a high quality workforce through competitive compensation and benefits packages.
6. The Village is focused on achieving our goals in the most efficient and cost effective manner

The financial plan for 2022 is focused on the future while considering present impacts. The Board will continue to focus on maintaining fiscal responsibility, delivery of quality services and growth of the community. The Village is in very good financial condition and is positioned to continue its growth and move forward successfully. The proposed 2022 budget is intended to provide the tools to achieve the goals set by the Village Board of Trustees.

REVENUES

The Village is funded primarily through two components, local property taxes and state aids. Fees, special charges, grants, and debt proceeds account for the remainder of the Village's revenue. Local property taxes are subject to the Wisconsin Levy Limit law. Under the levy limit law, the Village is allowed to increase the general fund tax levy by the net new construction rate of the previous year. The net new construction in the Village totaled \$3,320,500 producing a rate of 2.00%. A 2.00% levy increase equates to a total of \$15,966 which is spread across the entire tax base of the Village for the 2021 tax year payable in 2022. The Village Board of Trustees proposes increasing the village levy by the full amount allowed by law in the 2022 budget resulting in a village mill rate of \$7.42 per thousand dollars of assessed value.

State Aids consists of multiple components including Shared Revenue, General Transportation Aid (GTA), Exempt Computer Aid, Video Service Provider and Recycling Grants. Shared Revenue and GTA are the two largest aids to the Village and represent 17.94% of the total projected non-debt revenue for the Village in 2022. By comparison, the same state aids represent significantly more of the budgeted revenue (30-41%) of communities of other communities in Marathon County and statewide.

The largest state aid payment to the Village is Shared Revenue. Shared Revenue is calculated by the Wisconsin Department of Revenue (WDOR) but the formula for calculating aid has been frozen since 2001. Since 2001 Shared Revenue payments have been reduced statewide since 2001 by the state legislature. As a result, the 2022 Shared Revenue payments to the Village is projected to total \$102,375. That is over \$44,435 or 30% less than was received in 2001 and slightly less than what was received in 2021. The second largest state aid received by the Village is General Transportation Aid (GTA). GTA is calculated using a 5 year rolling average of investment by a community in streets combined with the GTA allocation defined in the biennial state budget. The 2022-2023 state budget increased the GTA allocation by 2%. This GTA increase combined with the higher level of investment in streets projects in the Village over the past five years results in a projected 2022 General Transportation Aid to the Village of \$135,899.

The final state aid categories received by the Village are State Computer aid and Recycling Grants. The funding for these programs have also decreased or remained flat over the past 10 years and this trend is predicted to will continue. The total aids received by the Village in these categories is projected to be \$16,169 in 2022.

Despite the lower total state aids in comparison to our neighbors in western Marathon County, the Village of Marathon City has been successful. This has been accomplished through the use of the tax levy, Tax Increment Financing, grants and debt. The result is the Village has self-funded infrastructure and growth while maintaining a tax rate right in the middle rates of the 22 municipalities in Marathon County.

DEBT

The municipal debt is a tool available to communities statewide. The Village of Marathon City utilizes debt to pay for projects and capital expenditures. These items are typically higher cost and long-life assets (i.e. fire trucks, plow trucks, streets) and the structure of the debt matches the needs and life cycle of the asset being financed.

Municipalities in the State of Wisconsin have a statutory limit on the amount of debt they can issue calculated as 5% of the equalized value of the community. The statutory debt limit for Marathon City in 2022 is \$8,765,815.

The Village projects \$3,393,245 in outstanding debt at the beginning of 2022 which is allocated to TID #1, TID #2 and the general fund. In 2022 the Village is scheduled to make payments totaling \$635,384 on the outstanding debt, fund by TID revenues and general levy. At the end of 2022, the Village will have just over \$6M or 68.6% of general obligation borrowing capacity available. Based on the current debt outstanding and the payment schedule, outstanding Village debt will be paid off by 2030.

While the Village has significant debt capacity available, the Village Board of Trustees has established a guidelines regarding the use of debt and has set maximum utilization thresholds for debt. All debt issued by the Village must be approved by the Village Board of Trustees.

EXPENSES

Expenditures for the Village will increase in the 2022 budget driven by the priorities identified above by the Board of Trustees. The expenditure side of the budget continues focus on operational cost containment and directs spending for outside professional services.

The proposed expenditures in the general fund budget for 2022 are \$2,087,515. The budget includes acquisition of vehicles and equipment in multiple departments. As part of the public safety commitment of the Village, \$100,000 has been allocated in budget year 2022 for the purchase of a new fire engine for the Marathon City Fire Department. The new engine would replace the current primary engine which is 27 years old. The new apparatus would increase the crew capacity of the engine, integrate SCBA equipment into the engine, enable single vehicle response and improve operations of the department. The 2022 budget has allocated \$18,500 for acquisition of equipment in the Public Works Department to replace multiple aging pieces of equipment.

The full-time, part-time and paid on call personnel are one of the most valuable assets the Village has. The employees of the Village are dedicated to the community and strive to be great ambassadors of the local governing body to the residents of the Village. Personnel across the Administration, Public Works, Utility and Public Safety Departments are committed to their duties and are focused on providing high quality services to the community. The Village Board of Trustees has recommended a 3% increase in wages for full-time staff and an increase for paid-on-call the Emergency Medical Responders to \$20 per call. The compensation and benefits for personnel accounts for 9.07% of the total expenses of the proposed 2022 Budget. The health insurance premiums for full-time staff have been increased 5% by our insurance provider in 2022.

As part of the five year streets plan, the Village has identified a pair of projects for the 2022 budget year. Reconstruction of 3rd Street from Chestnut to Pine Street and repaving of 5th Street from Main to Spruce have an estimated cost of \$413,151. The Village has been awarded \$205,475 in grant funding from the Wisconsin DOT for these projects. General transportation aids, village levy, TID revenues and general obligation debt will be used to fund the remainder of the 2022 project costs.

The Village of Marathon City has created a separate capital improvement fund for accounting and tracking purposes related to the Marathon City Baseball/Softball Complex and Veteran's Park. The outdoor recreation complex will be located at the east end of the Village and has a projected cost of \$3.87M. The Marathon City Baseball/Softball Complex and Veteran's Park projected to be funded entirely via donations, sales of public lands, grants and in-kind donations which results in zero property tax impact to Village taxpayers for construction of the complex.

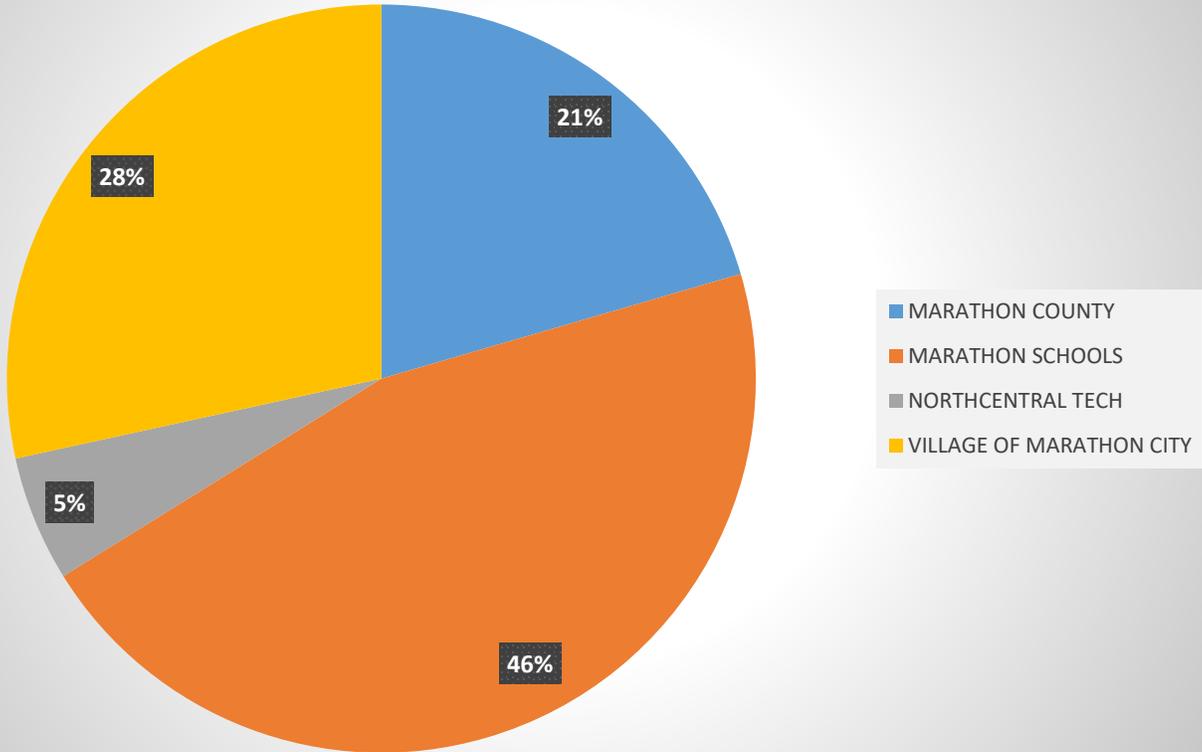
SUMMARY OF PROPOSED 2022 GENERAL FUND BUDGET

<u>REVENUES</u>	2021 APPROVED BUDGET	2022 PROPOSED BUDGET
GENERAL PROPERTY TAX	\$ 848,308	\$ 864,344
SPECIAL ASSESSMENTS	87,782	98,949
INTERGOVERNMENTAL REVENUES	333,592	569,901
LICENSES AND PERMITS	32,790	32,790
FINES & FORFEITURES	14,500	11,000
PUBLIC CHARGES FOR SERVICES	8,750	6,500
INTERGOVERNMENTAL CHARGES	87,860	96,263
MISCELLANEOUS REVENUE	3,923,296	81,617
BORROWED FUNDS	-	326,151
FROM CAPITAL RESERVE	-	-
TOTAL REVENUE	\$ 5,336,878	\$ 2,087,515
<u>EXPENDITURES</u>	2021 APPROVED BUDGET	2022 PROPOSED BUDGET
GENERAL GOVERNMENT	\$ 208,403	\$ 209,014
PUBLIC SAFETY	583,623	627,620
PUBLIC WORKS	379,542	738,170
HEALTH & HUMAN SERVICES	82,662	84,017
PARKS, CULTURE & RECREATION	3,881,804	19,625
CONSERVATION & DEVELOPMENT	6,600	6,500
MISCELLANEOUS	3,000	3,000
CAPITAL OUTLAY	54,340	118,330
DEBT SERVICE	132,040	250,461
TO CAPITAL RESERVE	4,864	30,778
TOTAL EXPENDITURES	\$ 5,336,878	\$ 2,087,515

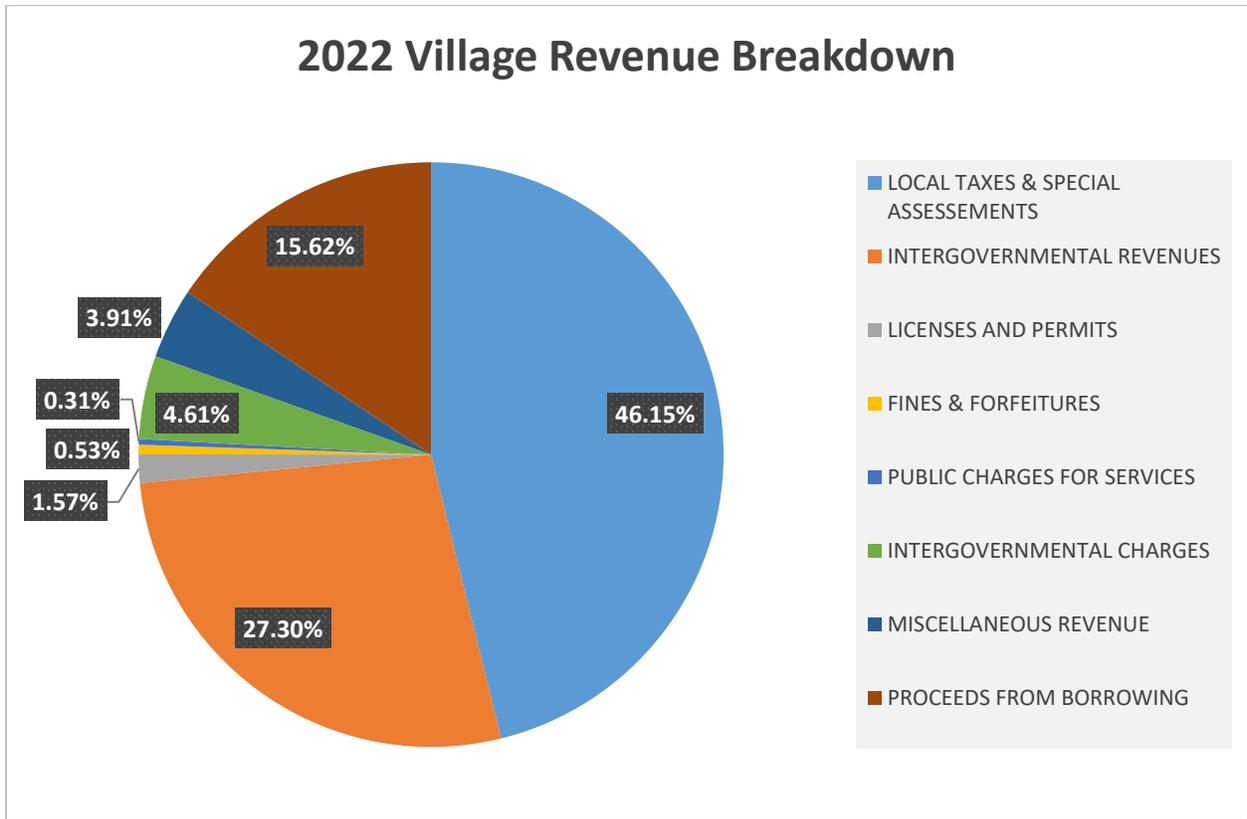
The following charts illustrate key data points of the proposed 2022 budget in a graphical manner and are intended to help taxpayers easily understand the proposed budget and its components. Graph number one breaks down the 2022 annual tax bill by taxing entity. Graph two depicts the revenue elements of the 2022 Village Budget. Graph three represents the expenditure breakdown of the 2022 budget. Graphs four and five depict monthly and daily breakdowns of the proposed 2022 expenditures on a per property basis for comparison to other household expenses.

Graph1

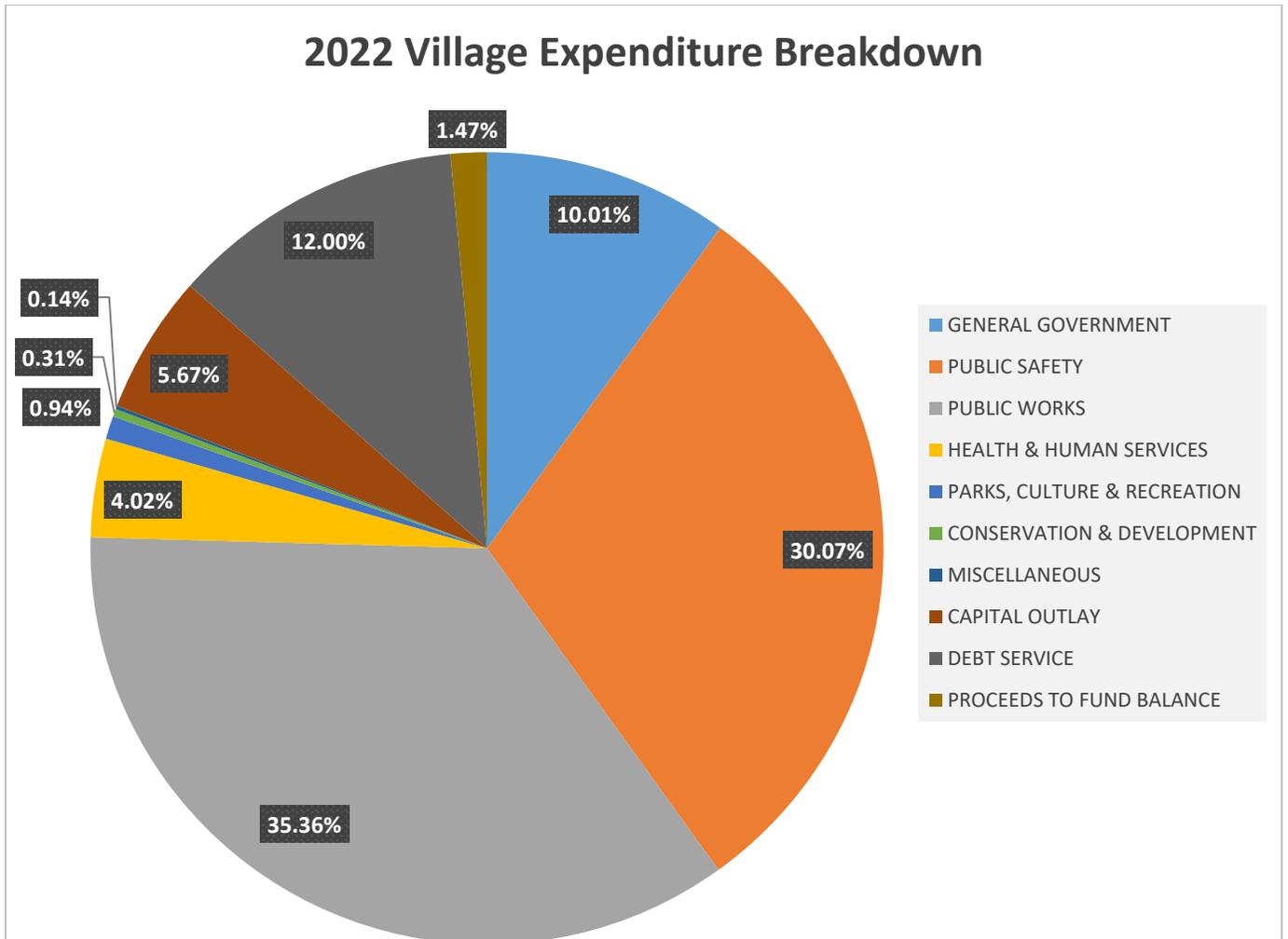
Breakdown of 2021 Property Tax Payable 2022



Graph 2

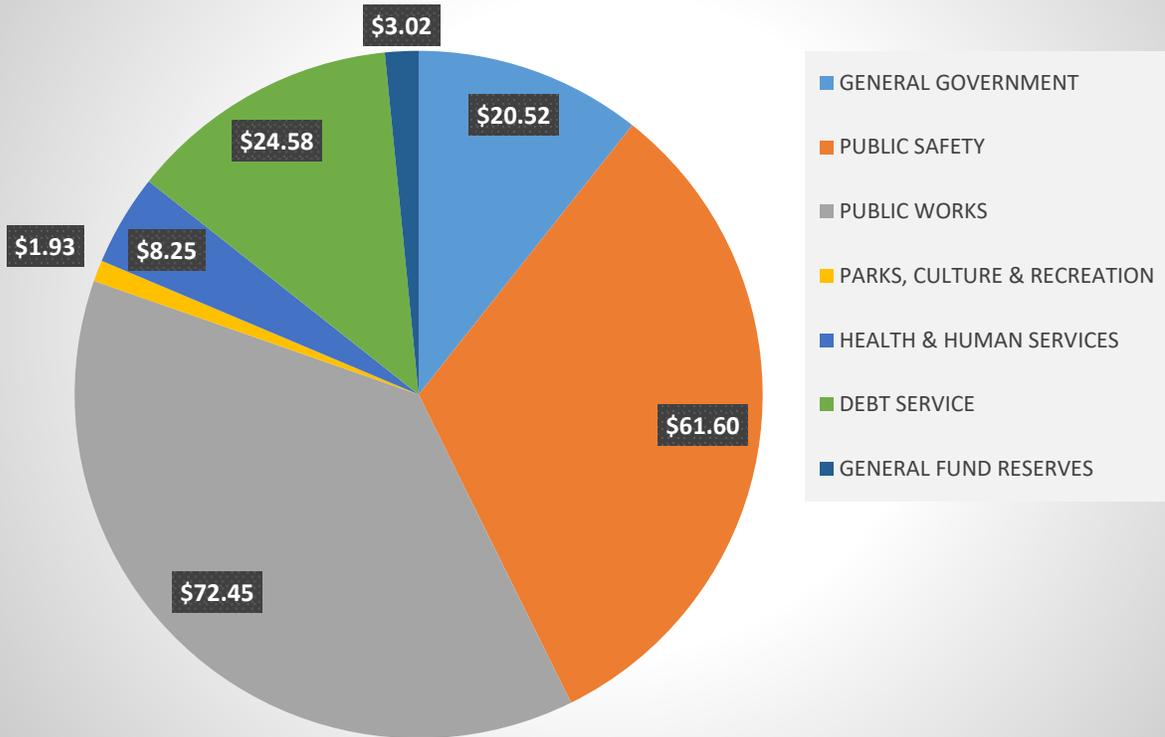


Graph 3



Graph 4

**2022 Monthly Share of Expenditures per Property
(\$192.35)**



Graph 5

2022 Daily Share of Expenditures per Property (\$6.32)

