



2023 General Fund Budget Overview

INTRODUCTION

The Village Board of Trustees and the Administrator continue to 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 grew in 2022 driven largely by new construction of \$11,035,800. Village equalized by grew to \$201,026,500 and assessed value grew to \$155,635,900. Residential, Commercial and Manufacturing properties represent 92.98% of the total assessed value of the Village with 51.62% being Residential and 41.36% being Commercial and Manufacturing. This breakdown means the majority of the total levy is paid by these three property classes and that the levy is closely split between Residential and the combined Commercial and Manufacturing classes. This split is the closest balance between the major classes of any city or village in Marathon County.

The Village of Marathon City Board of Trustees continues 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.

The Board of Trustees for the Village of Marathon City has identified the following primary drivers for the 2023 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 2023 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 2023 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 \$11,035,800 producing a rate of 6.29%. A 6.29% levy increase equates to a total of \$51,287 which is spread across the entire tax base of the Village for the 2022 tax year payable in 2023. The Village Board of Trustees proposes increasing the village levy by the full amount allowed by law in the 2023 budget resulting in a no change to the 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 16.67% of the total projected non-debt revenue for the Village in 2023. 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 2023 Shared Revenue payment to the Village is projected to total \$113,663 which is \$33,147 or 23% less than was received in 2001. The Village will receive expenditure restraint aids of \$16,399.51. 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 2023 General Transportation Aid to the Village of \$139,605.07 and increase of 2.73%.

The final state aid categories received by the Village are State Computer aid and Recycling Grants. The funding for these programs has 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 \$119,143 in 2023.

Despite the lower total state aids in, 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 near the median rate of the 22 municipalities in Marathon County.

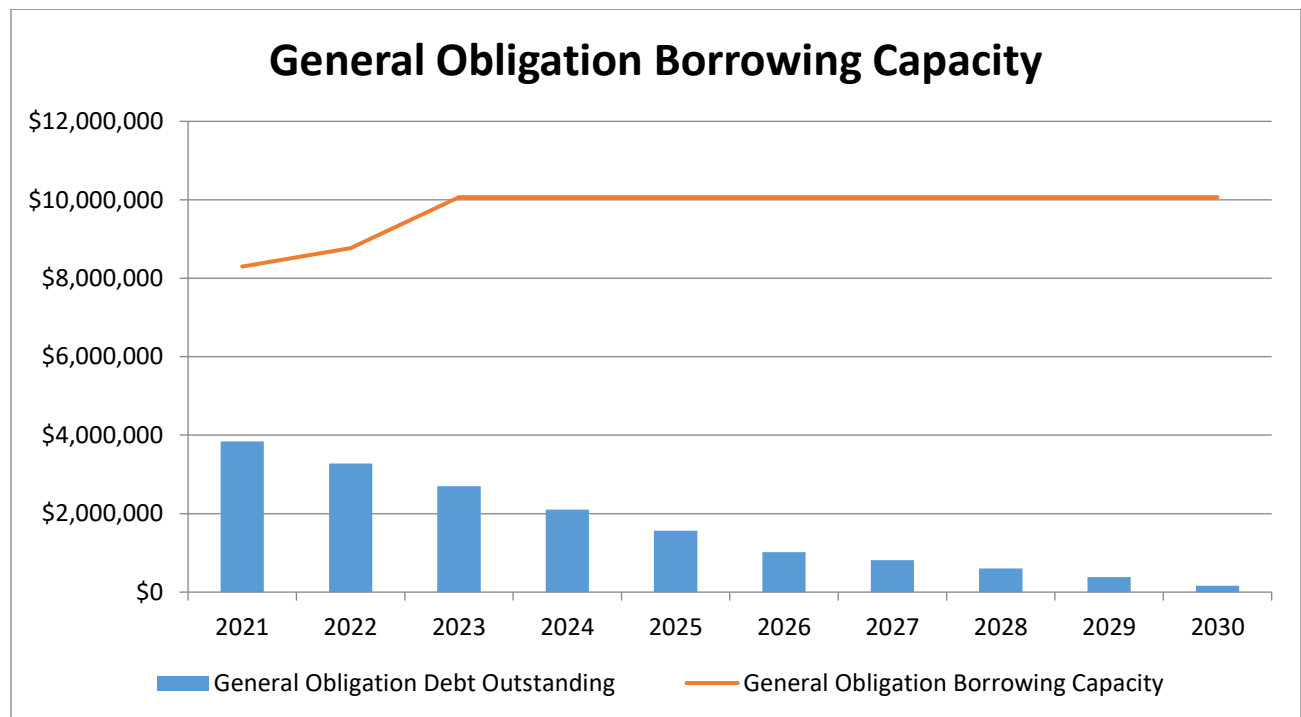
DEBT (update due 11/4/22)

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 2023 is \$10,067,140.

The Village projects \$3,393,245 in outstanding debt at the beginning of 2023 which is allocated to TID #1, TID #2 and the general fund. In 2023 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 2023, 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 2031.

While the Village has significant debt capacity available, the Village Board of Trustees has established 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 in the 2023 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 2023 are \$1,860,149.81. The budget includes acquisition of a new squad car for the police department as part of the public safety commitment of the Village,

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 5% increase in wages for full-time staff and an increase for paid-on-call the Emergency Medical Responders to \$25 per call. Firefighter per paid on call rate will increase to \$25 per hour. The health insurance premiums for full-time staff have been increased 4.62% by our insurance provider in 2023. The required retirement contributions increased in 2023 and are 6.8% for non-protective services and 10.01% for protective services. Total compensation and benefits for personnel accounts for 31% of the total expenses of the proposed 2023 Budget.

As part of the five-year streets plan, the Village has identified a pair of projects for the 2023 budget year. Resurfacing of 2nd Street, reconstruction of 3rd Street from Main Chestnut to Pine Street are planned. Portions of the 3rd Street project will be funded by the Marathon City Utility as the work is driven by water system upgrades.

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. 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 2023 GENERAL FUND

BUDGET

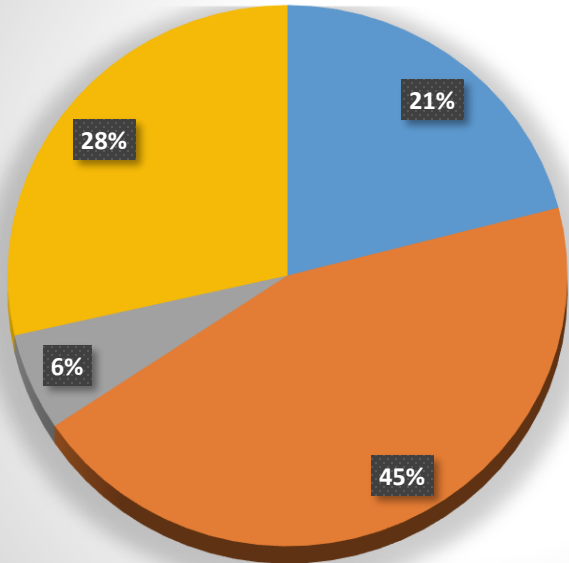
	2022 APPROVED BUDGET	2023 PROPOSED BUDGET
<u>REVENUES</u>		
GENERAL PROPERTY TAX	\$ 864,344	\$ 915,631
SPECIAL ASSESSMENTS	98,949	100,830
INTERGOVERNMENTAL REVENUES	569,901	398,138
LICENSES AND PERMITS	32,790	36,890
FINES & FORFEITURES	11,000	8,000
PUBLIC CHARGES FOR SERVICES	6,500	8,750
INTERGOVERNMENTAL CHARGES	96,263	84,293
MISCELLANEOUS REVENUE	81,617	67,617
BORROWED FUNDS	326,151	240,000
FROM CAPITAL RESERVE	-	-
TOTAL REVENUE	\$ 2,087,515	\$ 1,860,150

	2022 APPROVED BUDGET	2023 PROPOSED BUDGET
<u>EXPENDITURES</u>		
GENERAL GOVERNMENT	\$ 209,014	\$ 219,910
PUBLIC SAFETY	628,939	630,919
PUBLIC WORKS	738,170	557,861
HEALTH & HUMAN SERVICES	84,017	95,710
PARKS, CULTURE & RECREATION	19,625	19,625
CONSERVATION & DEVELOPMENT	6,500	6,500
MISCELLANEOUS	3,000	3,000
CAPITAL OUTLAY	118,333	49,251
DEBT SERVICE	250,461	263,629
TO CAPITAL RESERVE	29,456	13,745
TOTAL EXPENDITURES	\$ 2,087,515	\$ 1,860,150

The following charts illustrate key data points of the proposed 2023 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 2023 annual tax bill by taxing entity. Graph two depicts the revenue elements of the 2023 Village Budget. Graph three represents the expenditure breakdown of the 2023 budget. Graphs four and five depict monthly and daily breakdowns of the proposed 2023 expenditures on a per property basis for comparison to other household expenses.

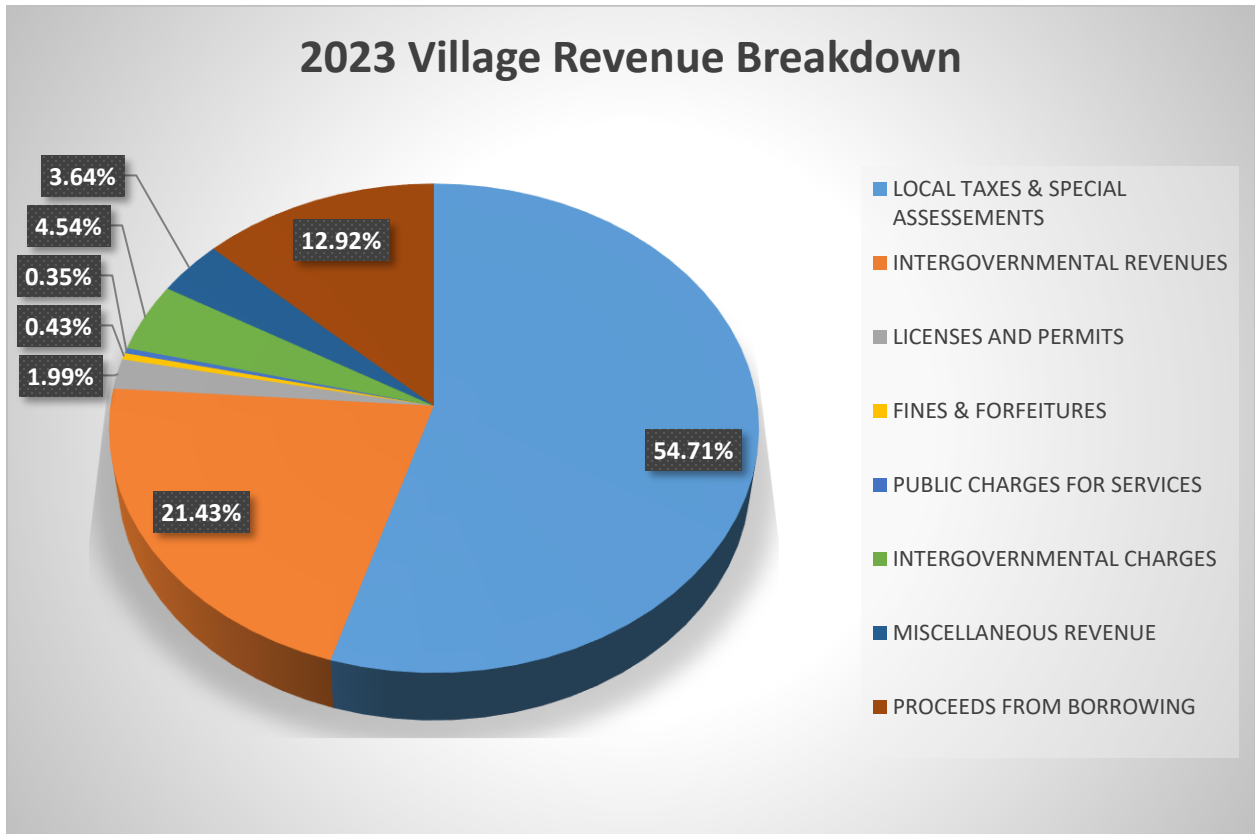
Graph1

Breakdown of 2022 Property Tax Payable 2023

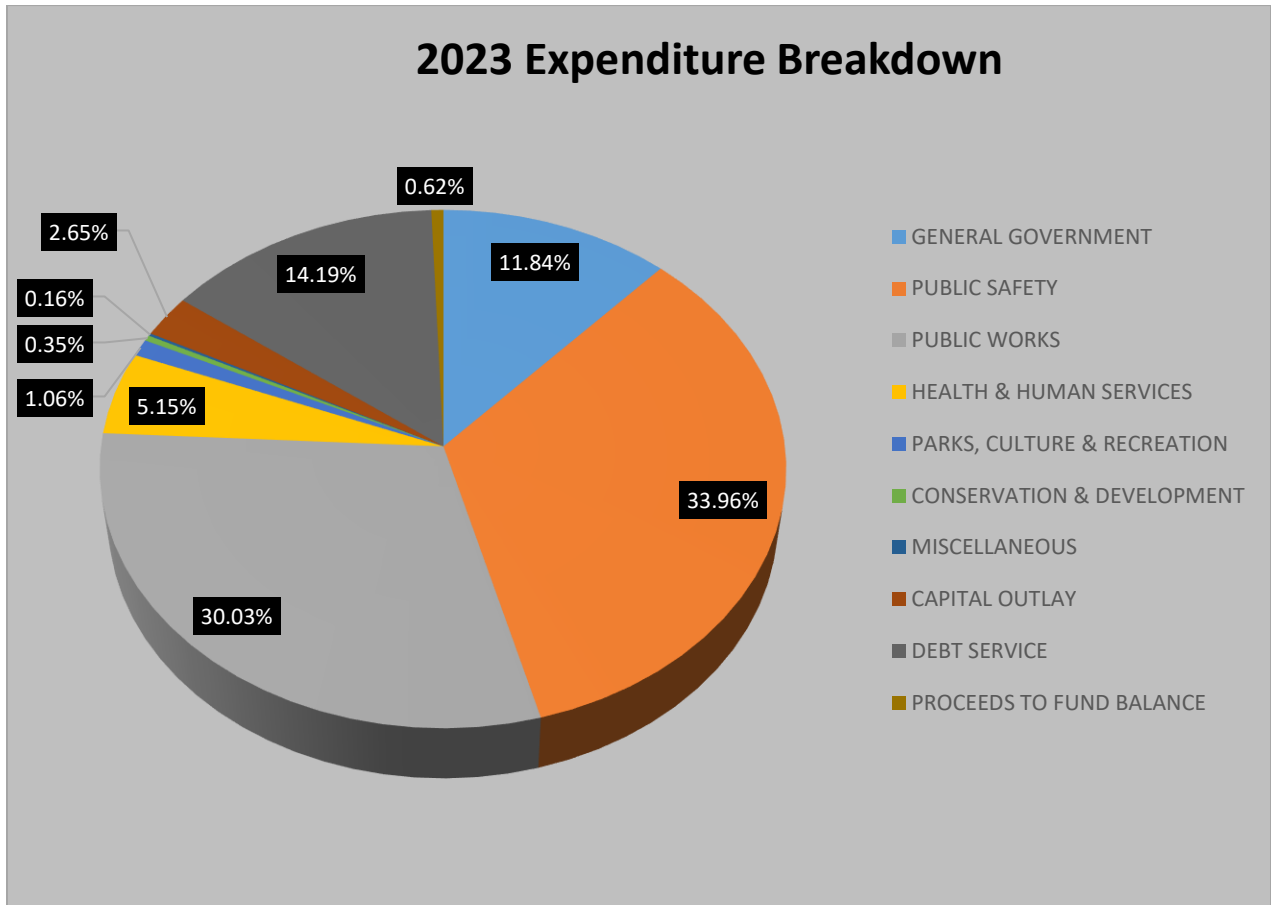


- MARATHON COUNTY
- MARATHON SCHOOLS
- NORTHCENTRAL TECH
- VILLAGE OF MARATHON CITY

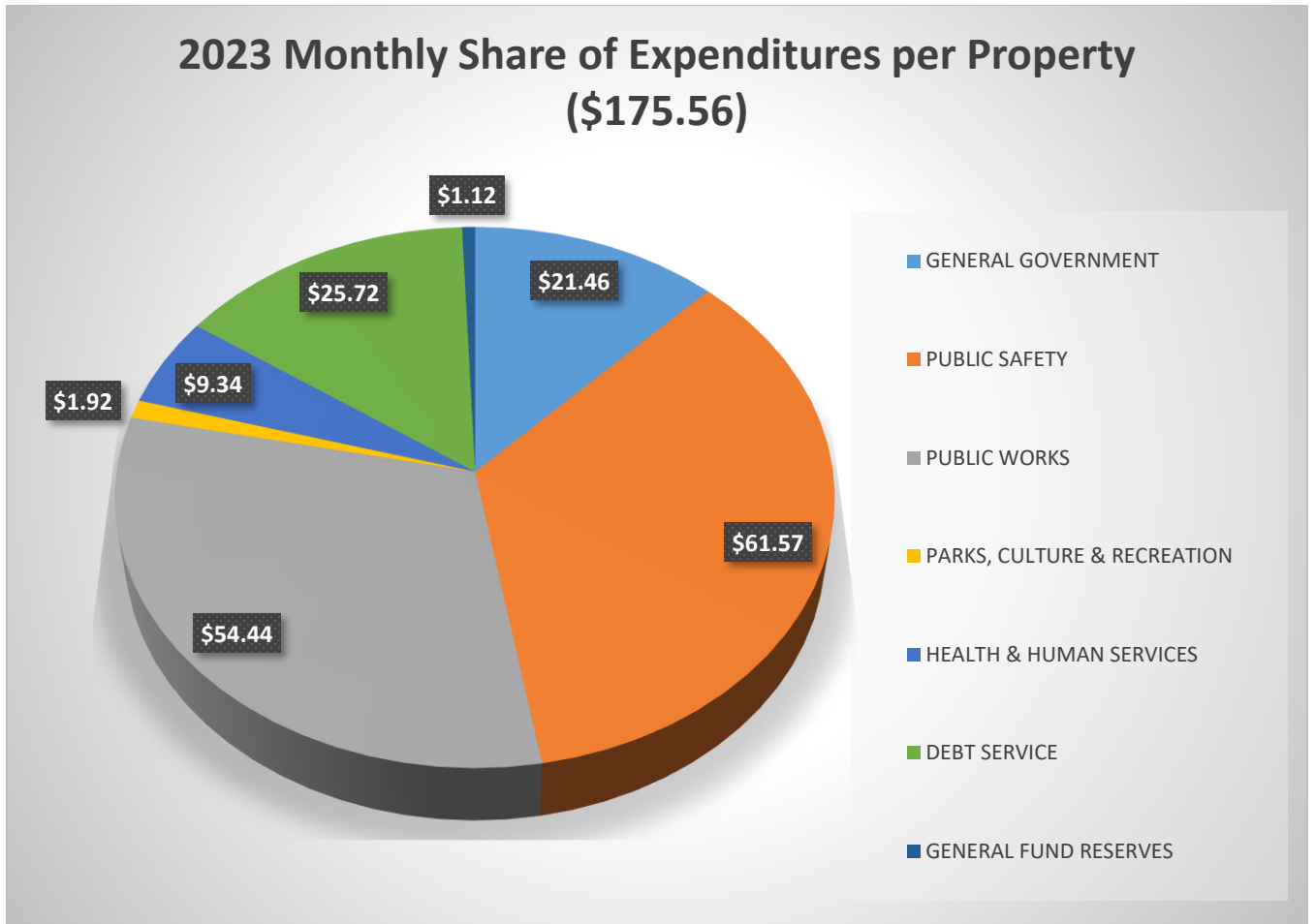
Graph 2



Graph 3



Graph 4



Graph 5

