



CITY OF BERLIN 2022 BUDGET



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& Sara Rutkowski, Deputy City Administrator

EXAMPLES OF MUNICIPAL SERVICES PAID THROUGH TAXES

Ambulance	Police protection
Animal Control	Recreation
Aquatic Center	Recycling
Building Inspection	Senior Center Activities
Campground	Senior Nutrition
Cemetery	Senior Transportation
Community Development	Shared-Ride Taxi Service
Elections	Shelterhouses
Emergency Government	Sidewalk Repair & Maintenance
Fire Protection	Snow Plowing & Salting
Fireworks	Spring bulk waste pick-up
Garbage Collection	Stormsewer
Land Use Planning & Zoning	Street lighting
Leaf and Brush Pick-up	Streets Construction & Maintenance
Library	Weed & Nuisance Control
Licensing and Permitting	Weights & Measures
Parks & Playgrounds	

GENERAL FUND EXPENDITURE BUDGET

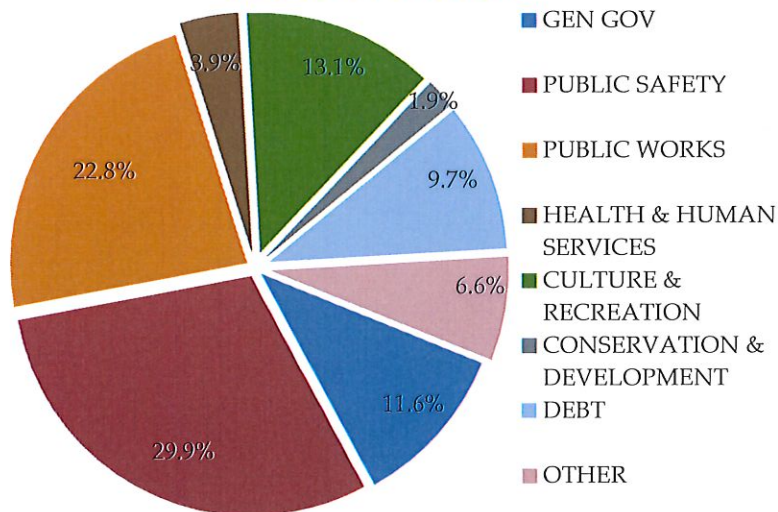
2021 Budget: \$6,304,979

2022 Budget: \$5,948,860

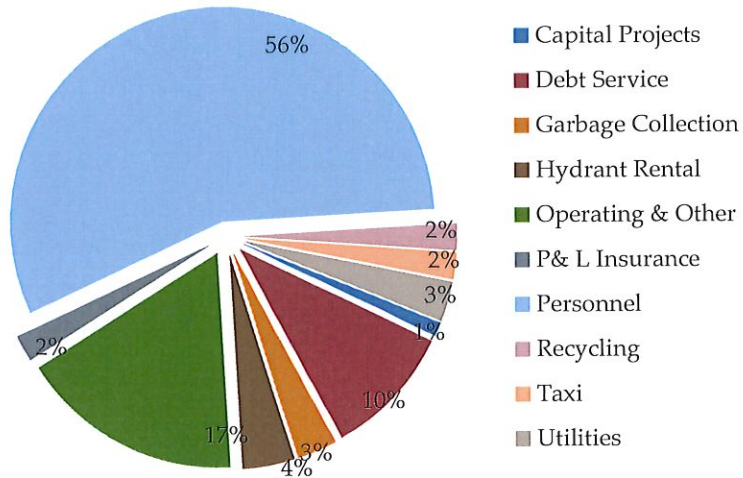
\$Change \$ (356,119)

% Change -6.7%

EXPENSE DISTRIBUTION BY *DIVISION*



EXPENSE DISTRIBUTION BY CATEGORY



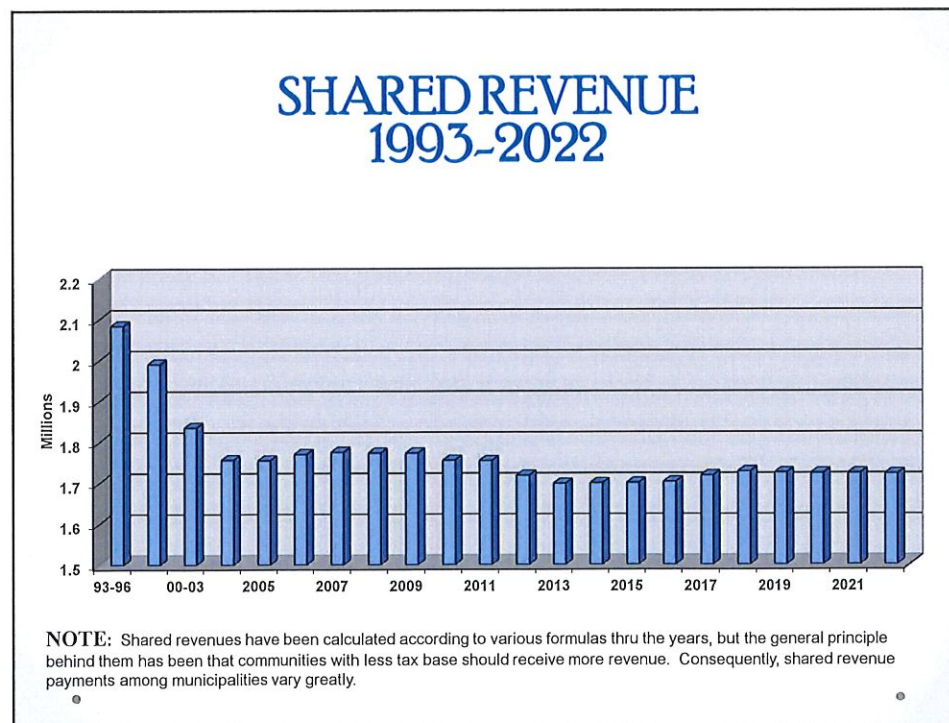
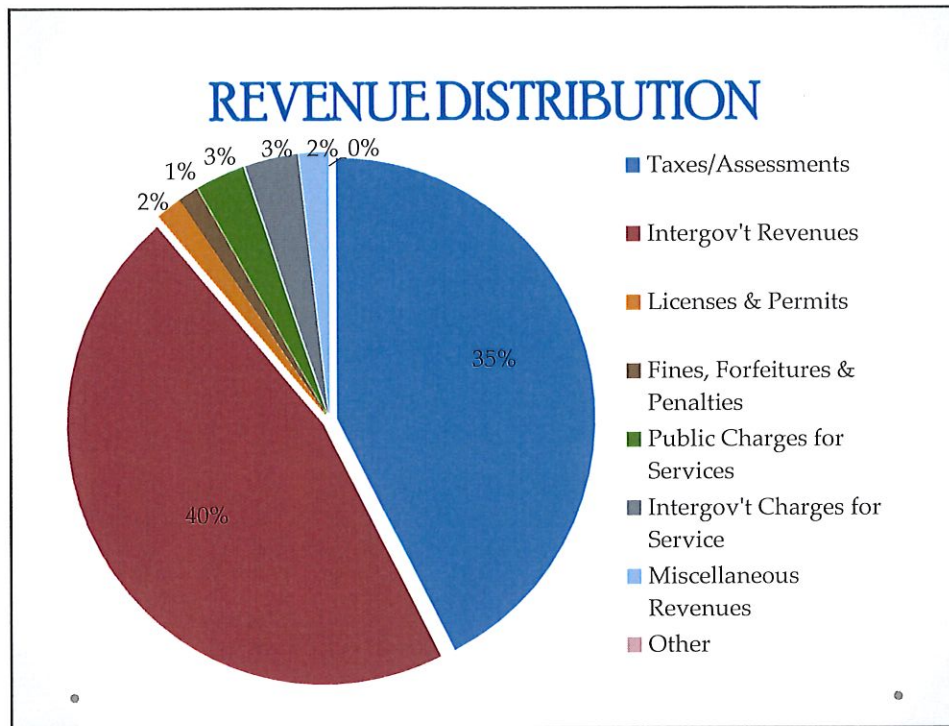
GENERAL FUND REVENUE BUDGET

2021 Budget: \$6,220,888

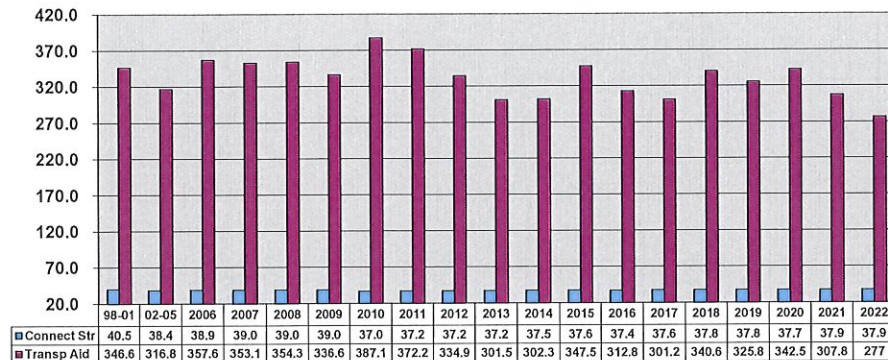
2022 Budget: \$5,431,911

\$Change \$ (788,977)

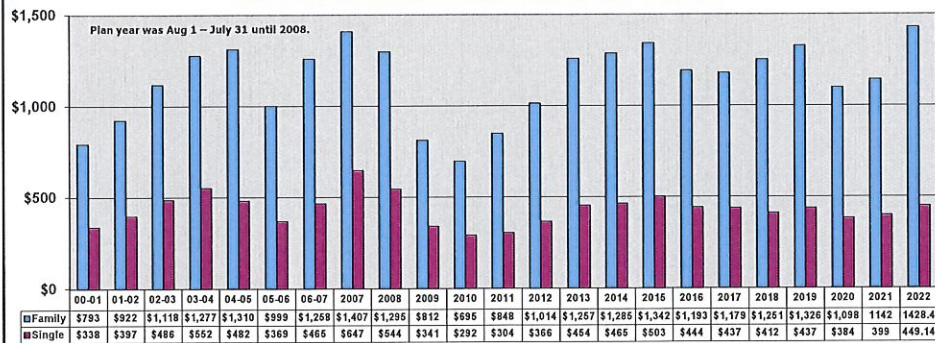
% Change -12.71%



STATE TRANSPORTATION AIDS 1998-2022



HEALTH INSURANCE



04-05 Stop Loss Deductible per individual had to be raised from \$20,000/person to \$25,000 per person to get this rate.
 05-06 City switched from self-funded plan to fully-insured, high deductible HSA plan.
 2007 This was a five-month rate from Aug-Dec. We then switched to a calendar year plan for 2008.
 2008 Negotiated retirees off of Health Insurance Plan.
 2009 Switched from WPS to Network Health.
 2010 Network Health offered a 14.41% premium decrease for raising deductible from \$1200/\$2400 to \$1500/\$3000. Special Agreement signed w/unions.
 2011-13 Network Health offered 19.8%, 22.12% and 24% renewal increase
 2014 Network Health offered 9.6% increase; went to HMO to keep cost down
 2015 Network Health offered 11.59% renewal for \$1500/\$3000 ded (\$543-S/\$149-F); Second option is 3.59% increase w/\$2000/\$4000 deductible
 2016 Switched to United HealthCare on 10/1/15; \$2k/\$4k deductible with copays on drugs after deductible met to a max OOP
 2017 Remained with United HealthCare as in 2016. Mandatory Obamacare changes created doctor visit co-pay and other changes
 2018 UHC offered 17% increase. Increased plan deductible to \$3,500/\$7,000 and offered existing plan as a "buy-up" provision.
 2019 UHC offered 6% increase
 2020 Switched to option of WPS or Arise. Employee cost shares additional cost for taking WPS plan vs Arise
 2021 Stayed with WPS or Arise. Employee cost shares additional cost for taking WPS plan vs Arise
 2022 Stayed with WPS or Arise with a renewal increase of 20.1%.

2021 TAXES (Collectible 2022)

LEVY AND MILL RATES

LEVY LIMITS

- For 2021, municipal levies can increase by 0% or the rate of growth from NET new construction. This is based on Equalized value, not Assessed value.
 - *Net new construction was .792% or \$2.41M, which equates to a levy increase of \$12,386*
- When a TID is closed out, municipalities only get credit for 50% of the increased valuation at closing for levy purposes.
 - *TID #9 will close at a \$70K loss. Any levy increase would be applicable in 2023.*
 - *TID closure of #14 allows for a levy increase of 0.552% or \$8,633*
- Debt service is currently outside of the levy limits.
- Municipalities cannot remove fees from the tax roll and place on taxes as special charge without reducing the levy by that amount.
 - *With the passage of the 2017-2018 state budget, a community can now shift fire protection fees from levy to customer utility bills without needing to reduce its allowable levy. This means it is possible for the City to shift over \$247,775 from tax levy to be directly billed via Utility bills for fire protection fees.*

2021 TAX LEVY

Collectible 2022

- 2021 Allowable Levy: **\$2,112,758**
- 0% increase or net new construction
 - Post 7/1/05 debt service allowed
- **Recommended 2021 Levy: \$2,112,758**
 - Levy \$ decrease from 2020: **(\$34,556)***
 - % decrease from 2020 levy: **-1.61%**

NOTE: Net New Construction resulted in \$12K of increased levy while debt service accounted for \$39K.

LEVY HISTORY

Levy Year	Collect Year	GREEN LAKE COUNTY		WAUSHARA COUNTY		TOTAL		
		Levy \$	Change	Levy \$	Change	Total Levy	Levy Change	% Levy Change
1999	2000			\$ -		\$ 1,171,868		
2000	2001			\$ -		\$ 1,207,984	\$ 36,116	3.08%
2001	2002	\$ 1,249,312		\$ 27,392		\$ 1,233,529	\$ 25,545	2.11%
2002	2003	\$ 1,279,786	\$ 30,474	\$ 29,908	\$ 2,516	\$ 1,309,694	\$ 76,165	6.17%
2003	2004	\$ 1,286,856	\$ 7,070	\$ 29,755	\$ (153)	\$ 1,316,611	\$ 6,917	0.53%
2004	2005	\$ 1,428,939	\$ 142,083	\$ 35,845	\$ 6,090	\$ 1,464,784	\$148,173	11.25%
2005	2006	\$ 1,457,857	\$ 28,918	\$ 36,223	\$ 378	\$ 1,494,080	\$ 29,296	2.00%
2006	2007	\$ 1,487,238	\$ 29,381	\$ 36,722	\$ 499	\$ 1,523,960	\$ 29,880	2.00%
2007	2008	\$ 1,530,866	\$ 43,628	\$ 38,814	\$ 2,092	\$ 1,569,680	\$ 45,720	3.00%
2008	2009	\$ 1,593,521	\$ 62,655	\$ 41,440	\$ 2,626	\$ 1,634,961	\$ 65,281	4.16%
2009	2010	\$ 1,637,282	\$ 43,761	\$ 41,753	\$ 313	\$ 1,679,035	\$ 44,074	2.70%
2010	2011	\$ 1,676,415	\$ 39,133	\$ 41,858	\$ 105	\$ 1,718,273	\$ 39,238	2.34%
2011	2012	\$ 1,700,678	\$ 24,263	\$ 41,894	\$ 36	\$ 1,742,572	\$ 24,299	1.41%
2012	2013	\$ 1,741,794	\$ 41,116	\$ 42,821	\$ 927	\$ 1,784,615	\$ 42,043	2.41%
2013	2014	\$ 1,857,301	\$ 115,507	\$ 44,721	\$ 1,900	\$ 1,902,022	\$117,407	6.58%
2014	2015	\$ 1,925,147	\$ 67,846	\$ 47,167	\$ 2,446	\$ 1,972,314	\$ 70,292	3.70%
2015	2016	\$ 1,973,109	\$ 47,962	\$ 47,701	\$ 534	\$ 2,020,810	\$ 48,496	2.46%
2016	2017	\$ 2,003,649	\$ 30,540	\$ 48,552	\$ 851	\$ 2,052,201	\$ 31,391	1.55%
2017	2018	\$ 2,064,502	\$ 60,853	\$ 47,598	\$ (954)	\$ 2,112,100	\$ 59,899	2.92%
2018	2019	\$ 2,032,640	\$ (31,862)	\$ 46,790	\$ (808)	\$ 2,079,430	\$ (32,670)	-1.55%
2019	2020	\$ 2,056,191	\$ 23,551	\$ 46,245	\$ (545)	\$ 2,102,436	\$ 23,006	1.11%
2020	2021	\$ 2,098,407	\$ 42,216	\$ 48,907	\$ 2,662	\$ 2,147,314	\$ 44,878	2.13%
2021	2022	\$ 2,064,613	\$ (33,794)	\$ 48,145	\$ (762)	\$ 2,112,758	\$ (34,556)	-1.61%

MILL RATE COMPARISONS

Green Lake		
Tax		%
Year	Mill Rate	Change
2000	0.007720426	
2001	0.006897244	-10.7%
2002	0.006910334	0.2%
2003	0.006910335	0.0%
2004	0.007684317	11.2%
2005	0.00781192	1.7%
2006	0.007879479	0.9%
2007	0.0080573589	2.3%
2008	0.0082318415	2.2%
2009	0.0083341170	1.2%
2010	0.0078794590	-5.5%
2011	0.0079336438	0.7%
2012	0.0079463765	0.16%
2013	0.0082850597	4.26%
2014	0.0085619958	3.34%
2015	0.0087818683	2.57%
2016	0.0087785510	-0.04%
2017	0.0085508254	-2.59%
2018	0.0085896366	0.45%
2019	0.0087254853	1.58%
2020	0.0089348899	2.40%
2021	0.0086632779	-3.04%

Waushara		
Tax		%
Year	Mill Rate	Change
2000	0.008038800	
2001	0.007075550	-12.0%
2002	0.006910334	-2.3%
2003	0.007016513	1.5%
2004	0.00799592	14.0%
2005	0.007948305	-0.6%
2006	0.007247463	-8.8%
2007	0.009113755	25.8%
2008	0.008556434	-6.1%
2009	0.008377226	-2.1%
2010	0.007935858	-5.3%
2011	0.010147041	27.9%
2012	0.008103664	-20.1%
2013	0.008167988	0.8%
2014	0.008572113	4.9%
2015	0.008654284	1.0%
2016	0.008791480	1.6%
2017	0.008625856	-1.9%
2018	0.008525978	-1.2%
2019	0.008707188	2.1%
2020	0.008926724	2.5%
2021	0.008787293	-1.6%

CAPITAL PROJECTS & EQUIPMENT REPLACEMENT

2022 CAPITAL EXPENDITURES

Carryover Projects

- ❑ \$ **150K** Water St/ Park Street 2nd Coat of Asphalt

New Projects

- ❑ \$ **75K** City Hall Boiler
- ❑ \$ **125K** City Hall Elevator
- ❑ \$ **190K** Bridge Epoxy (all 3 bridges)
- ❑ \$ **390K Total**

Equipment Purchases

- ❑ \$**185K** Plow Truck

2022 CAPITAL EQUIPMENT/ REPLACEMENT

FUNDS SET ASIDE FOR FUTURE EQUIPMENT/CAPITAL PROJECTS

- ❑ \$ 3K Portable PD Radios
- ❑ \$ 2K PD Tasers
- ❑ \$ 4K Command Truck
- ❑ \$ 30K Squad Car Replacement
- \$39K Total**

PROPERTY VALUATIONS

Assessed Valuation

vs.

Equalized Valuation



WHAT IS “Assessed” VALUE?

- ❑ Assessed Valuation or market valuation is used for calculating local tax rates to ensure fairness in distributing the tax burden within a local municipality.
- ❑ Used in calculating local mill rates.
- ❑ Assessed valuations are assigned by the local assessor.
- ❑ WI DOR compares current assessments to current sales (expressed as a ratio) to monitor compliance. If city-wide ratio falls out of compliance (*less than 90% or over 110% of fair market value*), for three years in a row, a Revaluation is necessary.
- ❑ In 2019, the City of Berlin fell out of compliance with assessment ratio for Green Lake County and Waushara County fell out of compliance in 2020. There is \$96,500 committed for future revaluation potentially for 2023. City of Berlin assessment ratios are:
 - ❑ Green Lake County: 77.85%
 - ❑ Waushara County: 76.76%

ASSESSED VALUE GREEN LAKE COUNTY

Green Lake County Assessed Valuation			
Year	Value	% Change	\$ Change
2001	165,661,800	0.00%	-
2002	194,462,100	17.38%	28,800,300
2003	195,319,200	0.44%	857,100
2004	195,025,300	-0.15%	(293,900)
2005	195,818,400	0.41%	793,100
2006	197,824,000	1.02%	2,005,600
2007	198,795,400	0.49%	971,400
2008	203,336,500	2.28%	4,541,100
2009	207,032,200	1.82%	3,695,700
2010*	222,420,600	7.43%	15,388,400
2011	223,611,000	0.54%	1,190,400
2012	228,971,600	2.40%	5,360,600
2013	234,910,200	2.59%	5,938,600
2014	237,717,300	1.19%	2,807,100
2015	237,339,100	-0.16%	(378,200)
2016	240,610,000	1.38%	3,270,900
2017	245,517,100	2.04%	4,907,100
2018	240,618,200	-2.00%	(4,898,900)
2019	240,225,700	-2.16%	(5,291,400)
2020	239,906,310	-0.30%	(711,890)
2021	241,377,010	0.48%	1,151,310

Revaluation

ASSESSED VALUE WAUSHARA COUNTY

Waushara County Assessed Valuation			
Year	Value	% Change	\$ Change
2001	7,543,200	0.00%	-
2002	8,503,500	12.73%	960,300
2003	8,443,100	-0.71%	(60,400)
2004	8,675,400	2.75%	232,300
2005	8,842,500	1.93%	167,100
2006	9,995,600	13.04%	1,153,100
2007	9,578,100	-4.18%	(417,500)
2008	9,781,900	2.13%	203,800
2009	10,479,700	7.13%	697,800
2010*	10,482,300	0.02%	2,600
2011	10,359,900	-1.17%	(122,400)
2012	10,535,300	1.69%	175,400
2013	11,505,500	9.21%	970,200
2014	11,920,200	3.60%	414,700
2015	12,062,000	1.19%	141,800
2016	11,733,700	-2.72%	(328,300)
2017	11,965,900	1.98%	232,200
2018	12,426,100	3.85%	460,200
2019	13,226,100	10.53%	1,260,200
2020	12,095,360	-2.66%	(330,740)
2021	11,799,730	-10.78%	(1,426,370)

Revaluation

WHAT IS “Equalized” VALUE?

- Equalized Valuation – Uniform and standardized estimation of a municipality’s total value to guarantee the fairness in distribution of the tax burden. If a city has 30% of the total value in the county, the city taxpayers should pay 30% of the taxes to be collected for county costs. No more; no less.
- Used in calculations for other taxing entities, various TID valuations, debt capacity calculations, distributing local aids, etc.
- Equalized Valuations are assigned by the Department of Revenue.

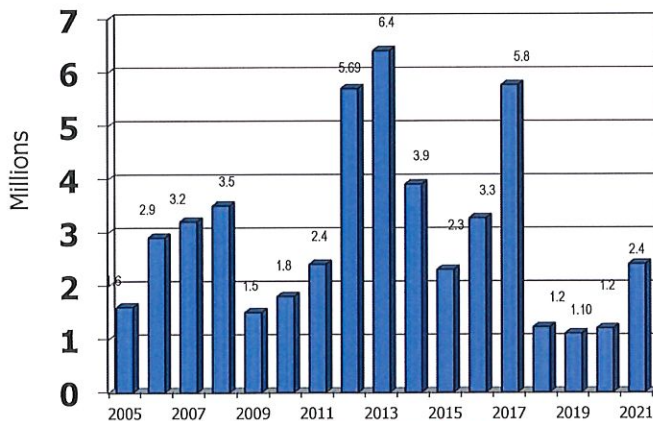
EQUALIZED VALUE GREEN LAKE COUNTY

Green Lake County Equalized Value				
	w/o TIF		w/TIF	
Year	Value	% Change	Value	% Change
2001	175,393,600		183,893,100	
2002	185,627,600	5.83%	194,912,300	5.99%
2003	189,982,700	2.35%	199,263,700	2.23%
2004	196,175,400	3.26%	205,743,900	3.25%
2005	198,559,500	1.22%	208,346,900	1.27%
2006	211,492,300	6.51%	221,661,600	6.39%
2007	216,111,000	2.18%	226,119,900	2.01%
2008	212,116,100	-1.85%	222,806,700	-1.47%
2009	218,041,300	2.79%	228,818,400	2.70%
2010	220,304,200	1.04%	230,309,900	0.65%
2011	224,140,700	1.74%	233,810,700	1.52%
2012	219,011,200	-2.29%	228,781,200	-2.15%
2013	228,101,700	4.15%	239,024,800	4.48%
2014	228,395,900	0.13%	241,468,300	1.02%
2015	230,201,700	0.79%	243,172,100	0.71%
2016	238,433,500	3.58%	251,351,900	3.36%
2017	253,980,100	6.52%	258,270,100	2.75%
2018	253,727,400	-0.10%	257,994,300	-0.11%
2019	270,308,400	6.53%	275,553,000	6.81%
2020	283,138,500	4.75%	289,228,300	4.96%
2021	306,106,800	8.11%	310,036,200	7.19%

EQUALIZED VALUE WAUSHARA COUNTY

Waushara County Equalized Value				
Year	w/o TIF		w/TIF	
	Value	% Change	Value	% Change
2001	3,845,600		8,473,300	
2002	4,338,100	12.81%	8,972,100	5.89%
2003	4,395,000	1.31%	9,038,800	0.74%
2004	4,921,100	11.97%	9,527,700	5.41%
2005	4,933,600	0.25%	9,572,500	0.47%
2006	5,222,100	5.85%	10,301,400	7.61%
2007	5,479,300	4.93%	12,323,000	19.62%
2008	5,516,200	0.67%	11,141,200	-9.59%
2009	5,537,100	0.38%	11,642,400	4.50%
2010	5,500,700	-0.66%	10,931,800	-6.10%
2011	5,521,400	0.38%	10,845,600	-0.79%
2012	5,384,300	-2.48%	10,734,900	-1.02%
2013	5,492,300	2.01%	11,541,600	7.51%
2014	5,595,800	1.88%	12,122,600	5.03%
2015	5,565,300	-0.55%	12,179,100	0.47%
2016	5,777,700	3.82%	12,275,600	0.79%
2017	5,855,600	1.35%	12,697,900	3.44%
2018	5,840,600	-0.26%	13,224,700	4.15%
2019	6,079,400	4.09%	15,139,300	14.48%
2020	6,599,100	8.55%	14,568,700	-3.77%
2021	7,138,100	8.17%	15,373,100	5.52%

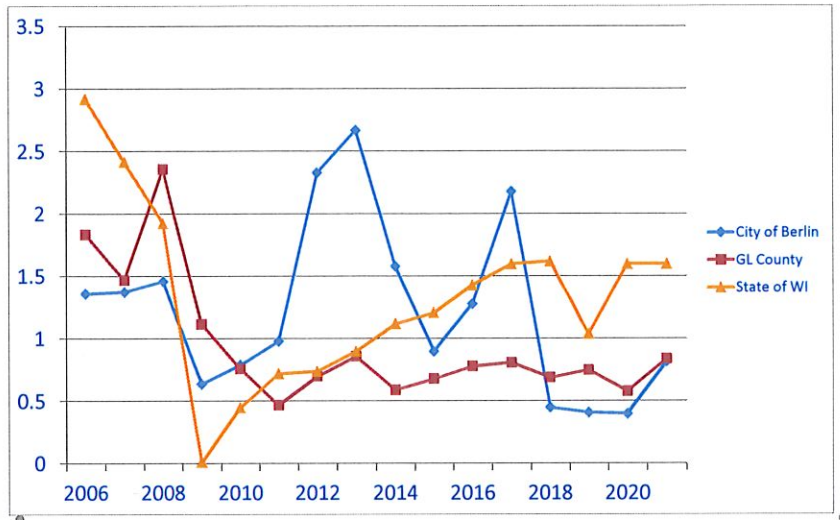
NET NEW CONSTRUCTION \$



NET NEW CONSTRUCTION 2021

.79% - City of Berlin
 1.60% - State of Wisconsin
 .84% - Green Lake County
 .92% - Waushara County

NET NEW CONSTRUCTION % COMPARISONS



TAX INCREMENTAL FINANCING DISTRICTS (TIF or TID)

TID BITS

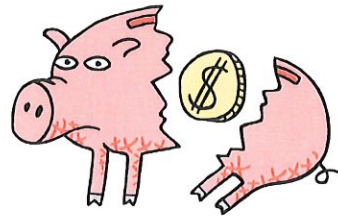
Municipalities are limited to TID creation by 12% of Equalized Valuation

- ❑ 12% of City of Berlin Equalized Value Limit: **\$39.1M**
- ❑ City of Berlin TID Valuation currently: **\$10.9M** (does not include environmental TIDs)
- ❑ TID capacity remaining: **\$28.2M**
- ❑ Berlin currently has **3 active TIDs + 2 Environmental TIDs**
- ❑ Est. 12/31/21 TID Advance from General Fund: **\$649K**

TID BITS

- ❑ **TID#01E (RAJ)** This TID is not cash flowing currently, but debt service is scheduled thru 2023. It has opportunity to cash flow by end of life.
- ❑ **TID#02E (David White)** has a positive cash flow. In 2014 we signed a developers agreement with the State Bank of Chilton to reimburse for environmental clean-up costs.
- ❑ **TID #9 (Downtown Riverblock)** TID #9 will close at a \$70K loss. Any levy increase would be applicable in 2023.
- ❑ **TID #10 (North Business Park)** TID 10 is paying the General Fund back approximately \$200k/year. This payback is designated to go towards debt service. Joint Review Board approved a 3-year extension for this TID in 2017 which allows it to most likely cash flow over its extended lifetime.
- ❑ **TID#14 (East Ridge Apartment Complex)** Closed this year and will have a 0.552% levy increase or \$8,633
- ❑ **TID #15 (Downtown TID)** first gained valuation over it's base value in 2019; therefore, it received its first tax increment in 2020.

MAINTAINING FISCAL SOUNDNESS



RESERVES

CITY OF BERLIN DEBT



Debt is a viable, prudent, and necessary option for capital project funding. Strict levy limits have forced debt to be a necessary measure to handle rising costs of services. Steady debt payments allow capital projects to occur while allowing a more stable mill rate.

- ❑ **NON-TIF DEBT:*** \$ 5.3M Debt/Capacity Ratio: 29% Final Pmnt Due: 2033
- ❑ **TIF DEBT:** \$ 45K Debt/capacity Ratio: <1% Final Pmnt Due: 2026
- ❑ **LENGTH OF DEBT:** Length of debt terms should not extend beyond the life of the infrastructure being borrowed for. Taxpayers who are paying for the debt, should be receiving the benefit of the project.
- ❑ **MAINTAINING REASONABLE DEBT AMOUNT.** The City of Berlin's financial policy for debt is not to exceed 45% of the legal debt limit. Municipalities who borrow over 50% of their legal debt limit, or max out borrowing capacity may find difficulty receiving decent bond ratings, jeopardize current bond ratings, create higher borrowing rates, or could find it difficult to borrow when a major capital project arises. Debt load can have a significant impact on mill rates.

CITY OF BERLIN DEBT



- ❑ Legal Debt Limit: Equal to **5%** of total equalized value.
- ❑ City of Berlin's *legal debt limit*: **\$16.2M** (325,409,300*5%)
- ❑ 2021 Year-end Anticipated Debt: **\$5.4M**
- ❑ Debt/Capacity Ratio: **29%** (goal is 45% or below)
- ❑ Maximum Debt Per Policy: **\$7.3M**
- ❑ 2021 City of Berlin Per Capita debt: **\$854**
- ❑ Note: In 2020 we issued a \$2M GO Promissory Notes for capital projects. This issue included the 2019 anticipated borrowing of \$650k for the N. Capron/River Dr project and the 2020 street projects including State Street and Webster.



UNASSIGNED FUND BALANCE



- ❑ UNASSIGNED FUND BALANCE IS USED FOR:
 - Emergency Situations
 - Liquidity to handle spikes and timing of revenues
 - Offset risk of high dependency on state funding and potential for pulled funding.
 - Proving solvency for better borrowing rates
 - Providing funding for TID advances
- ❑ CITY OF BERLIN FINANCIAL POLICY indicates *unassigned general fund balance* be maintained between **25-30%** of operating budget **plus anticipated future TID advances**. This provides approximately 3 months operating capital along with TID advances.
- ❑ 2021 UNASSIGNED FUND BALANCE is anticipated to be at **\$2.6M** at year-end for a **36%** fund balance. This is adequate to cover revenue fluctuations plus the TID advances needed.

UNASSIGNED FUND BALANCE

