



CITY OF
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2021 Proposed Operating Budget

City of Eau Claire

City Council

10/06/2020



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2021 Budget Overview

- **New or Enhanced Programs/Services/
Staffing in Proposed Budget:**
 - **Equity, Diversity, & Inclusion Coordinator –
Shared with Eau Claire County**
 - **Police Co-Response Coordinator**
 - **Computer Support Technician**
 - **Funding to study Police Co-Response**



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2021 Budget Overview

- **Changes to close gap:**
 - **Eliminate contract with Valley Media Works (-106,100)**
 - **Delay filling Planner position until July 1, 2021 (-45,000)**
 - **Reduce .25 FTE Administrative Associate in Fire and dedicate additional .25 FTE to Risk Management (-8,338)**
 - **Reduce Health Insurance from 2% increase to 1% decrease (-213,500)**



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2021 Budget Overview

- **Changes to close gap:**
 - **Reduce Hobbs subsidy to 2020 level (-269,450)**
 - **Changed Web Filtering Software from 3-year contract to annual (-40,000)**



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2021 Budget Challenges

- Prepare a budget that complies with State imposed levy and expenditure limits and City Council policies on budget and fund balance
- Provide competitive wages and benefits to recruit and retain a highly skilled work force
- Continue to provide the high-quality services that make Eau Claire a functional and safe community in which to live and work



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2021 Budget Challenges

- Respond to City Council and community commitment to promoting social justice.
- Respond to challenges imposed by a national pandemic.
- Develop and implement programs/services that contribute to making Eau Claire more meaningful and fun.



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2021 Budget Overview

- **Status Quo is not sustainable**
- **Revenues not matching service needs/demands**
- **Substantial growth in the community**
- **Challenged to maintain basic services**
- **Currently making it work, but not sustainable long term**



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2021 Budget Overview

- **Unfunded Requests:**
 - **IT Network Engineer - \$110,200**
 - **Recreation Admin Associate - \$68,900**
 - **Community Services Positions - \$348,100**
 - **Survey Crew Chief (Engineering) - \$49,100**
 - **Firefighter Paramedics - \$377,800**
 - **Law Enforcement Associate - \$38,600**



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2021 Budget Overview

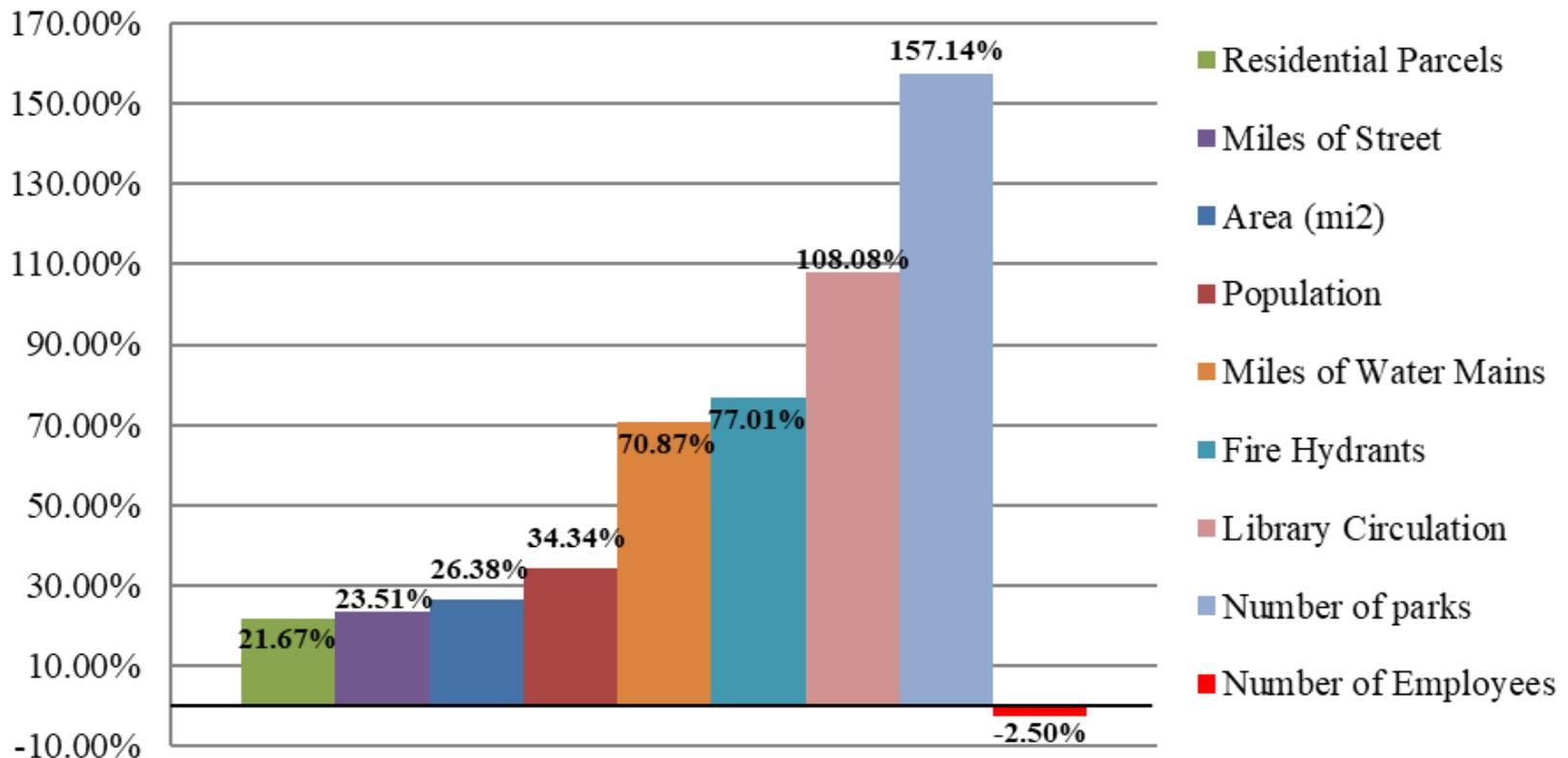
- **Unfunded Requests:**
 - Office 365 Licensing - \$110,000
 - Misc. Fire Equipment - \$48,300
 - Energy Efficiency Incentive Program - \$70,000
 - Finance Software - \$47,400
 - Human Resources Software - \$17,700
 - Central Equipment Replacement - \$43,400
 - Street Lighting - \$22,400



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2021 Budget 1980-2019 Services

Percent Change of Operating Indicators: 1980 - 2019





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2021 Budget 1996-2019 Budgets

- After adjusting for inflation, between 1996 and 2019 the General Fund budget increased at a rate of .90% per year.
 - General Fund w/o Public Safety = $-.07\%/year$
 - Public Safety = $1.61\%/year$



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2021 Budget Levy Limit

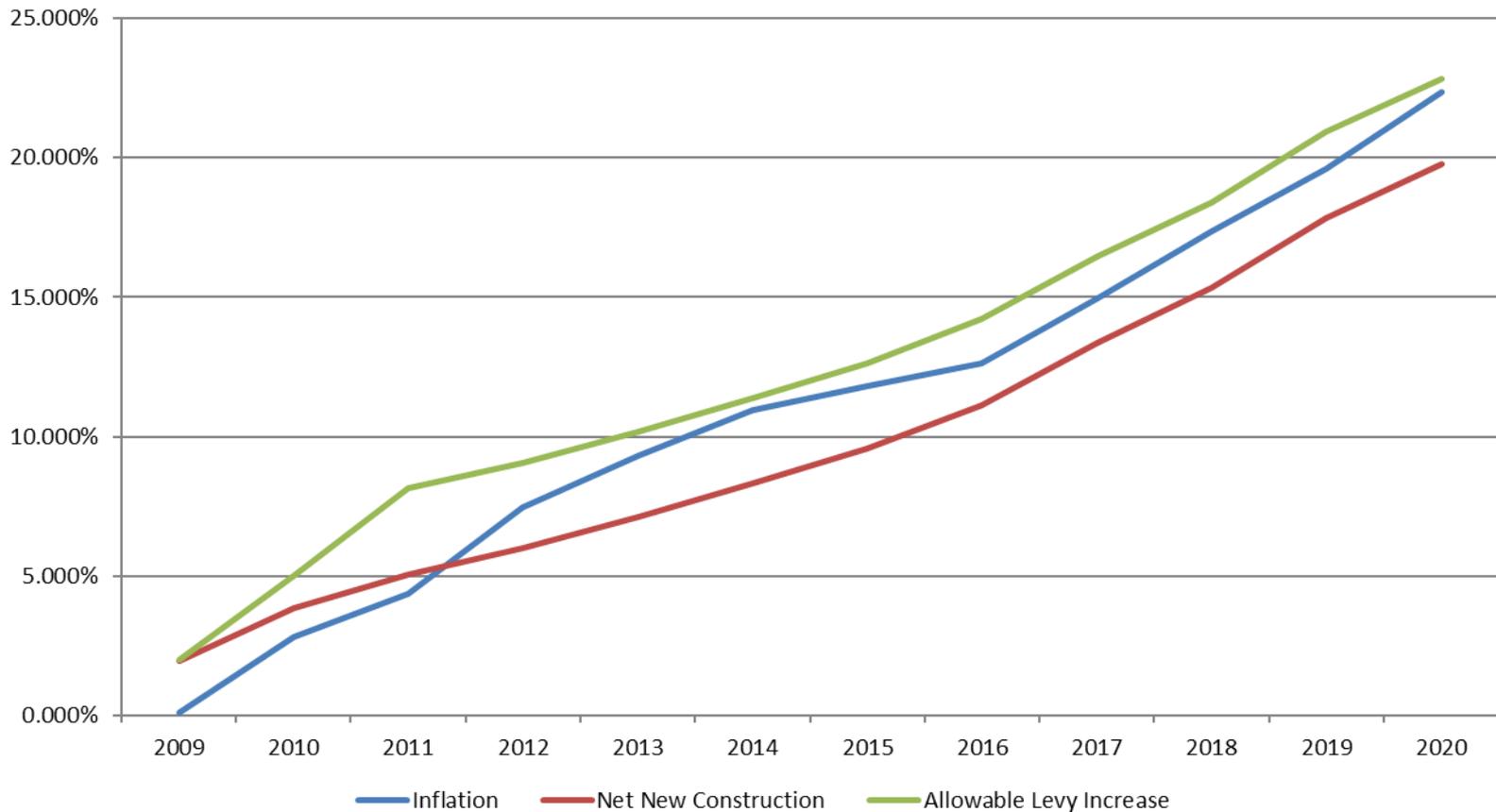
- Increase in Tax Levy limited to Net New Construction
- Net New Construction for 2019 was 1.92%
- Allowable levy increase for 2021 = 1.92%, or \$699,300
 - City - \$597,300
 - Library – \$65,200
 - Health - \$36,800



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2021 Budget Levy Limit

2009-2020 Levy Limit vs. Inflation

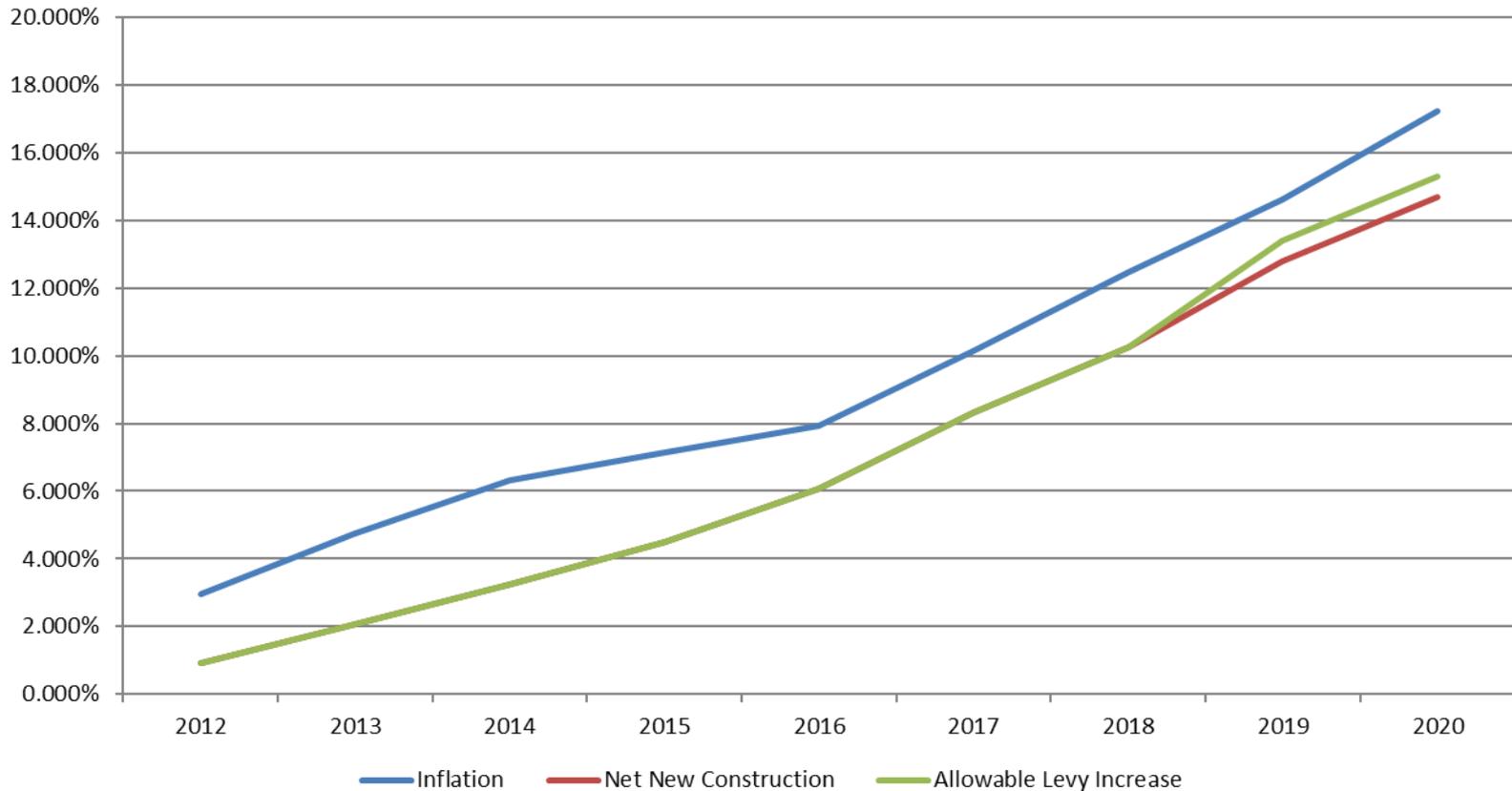




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2021 Budget Levy Limit

2012-2020 Levy Limit vs. Inflation





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2021 Budget Budget Assumptions

- Wage increase of 1.25% on 1/1/2021 and 1.25% on 7/1/2021
- Step increases as provided in Pay Plan
- Use off-election year savings to fund increased General Fund subsidies
- Health Insurance DECREASE of 1%



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2021 Budget Key Characteristics

Assessed Value	+	\$79,076,400	1.44%
Equalized Value	+	394,875,900	6.90%
Net New Construction	+	102,829,200	1.89%
Property Tax Levy			
Operations	+	597,300	1.98%
Debt Service	+	<u>154,600</u>	<u>1.90%</u>
Total Tax Levy		751,900	1.96%
Non-Property Tax Revenue	-	<u>424,665</u>	<u>1.29%</u>
Total Revenue	+	379,135	.49%



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2021 Budget Key Characteristics

Operating Expenses	+	\$617,550	1.11%
Capital Transfer	-	19,135	.58%
Debt Service	+	<u>154,600</u>	<u>1.90%</u>
Total General Fund Expenditures	-	\$381,835	0.50%
Gross Tax Rate	+	\$0.047	.58%
Taxes on “Average” Home	+	8.25	.58%



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2021 Budget Property Tax Costs

	2021	
	<u>Annual</u>	<u>Monthly</u>
Police	363.88	30.32
Fire	242.24	20.19
Debt Service	187.45	15.62
General Government	161.13	13.43
Parks	73.21	6.10
Library	65.47	5.46
Street Maintenance	62.07	5.17
Health Department	36.97	3.08
Snow & Ice Control	38.68	3.22
Engineering	36.55	3.05



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2021 Budget Property Tax Costs

	2021	
	<u>Annual</u>	<u>Monthly</u>
Non-Departmental	30.49	2.54
Street Lighting	22.00	1.83
Transit	19.28	1.61
Buildings & Grounds	16.23	1.35
Forestry	15.02	1.25
Recreation	11.21	0.93
Economic Development	4.11	0.34
Hobbs	4.93	0.41
Cemetery Maintenance	4.60	0.38
Fairfax Pool	2.49	0.21
Total/Year	<u>1,398.01</u>	<u>116.50</u>



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2021 Budget Calendar

October 2nd – City Council receives 2021 Proposed Operating Budget

October 6th – City Council Work Session #1 – Budget Presentation

October 12th – Public Hearing on the City Managers 2021 Proposed Operating Budget

October 13th – City Council Work Session #2 – Department Budget Overview

October 20th – City Council Work Session #3 – Continuation of Work Session #2, City Council Questions, and Council discussion of possible amendments

October 27th – City Council Work Session – If necessary

October 30th – Budget Amendments Due

November 9th – Public Hearing on 2021 Proposed Operating Budget

November 10th – City Council action on 2021 Proposed Operating Budget

November 24th – City Council action on levy



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2021 Budget Amendment Process

- Proposed amendments should be discussed with City Manager or Finance Director no later than Friday, October 23rd
 - Identify programmatic area(s) that are a lower funding priority – we are at levy maximum
 - Identify Councilmember who will be second
- Department Director(s) will identify options to decrease budget to fund amendment
- Options will be shared with Councilmembers



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2021 Budget Amendment Process

- Council may discuss possible amendments during Work Session #3 on October 20th
- Proposed Amendments and Funding due No Later than Friday, October 30th at 5:00 pm
- Staff will prepare motion and coversheet for review by Councilmembers and inclusion in agenda packet
- Copies of Motion will be placed at Council-member's seat for adoption meeting



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2020 Debt Financing

Questions?