

City of Whitewater

Financial Trend Analysis
(1988-2009)

City Budget Projections
(2011-2016)

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INTRODUCTION
FINANCIAL INDICATORS FOR WHITEWATER, WISCONSIN
1988 - 2009

There are many meanings when one tries to define the term financial condition when it is applied to public sector entities. In fact, it is made up of any of the following four components:

Cash Solvency: The ability to generate sufficient cash over thirty or sixty days to meet financial obligations (pay the bills, payroll, etc.).

Budgetary Solvency: The ability to generate enough revenues over the budgetary period (calendar year) to meet expenditures and not incur deficits.

Long-Run Solvency: The ability to meet expenditures which do not occur on a yearly basis. Examples are post-employment benefits and pension costs.

Service-Level Solvency: The community's ability to provide services at the level and quality that is required for the health, safety and welfare of the community and its citizen's desire.

In summary, financial condition can be broadly defined as a local government's ability to finance its services on a continuing basis. Specifically, financial condition refers to a government's ability to 1) maintain existing service levels, 2) withstand local and regional economic disruptions, and 3) meet the demands of natural growth, decline and change.

Through the use of Financial Trend Monitoring System (FTMS) the City of Whitewater can evaluate eleven "factors" which represent the primary forces that influence financial conditions. Associated with these factors are forty-two "indicators" that measure different aspects of nine of the factors. Not all factors or indicators are applicable to the City of Whitewater. Some of the major "factors" are debt structure, revenues, and expenditures, operating positional and intergovernmental constraints. Indicators which influence the factors are growth, population, long-term debt, property value and distribution, attitudes towards taxes and services, and fund balances.

The FTMS shows us 21 years of financial history for the City of Whitewater. The document is updated yearly. It is hoped that through the use of the FTMS it will give us an "early" warning of unfavorable trends so they can be dealt with. We should be able to use the FTMS to highlight the positive trends that the City of Whitewater has as well.

Revenues Per Capita

Fiscal Year Data

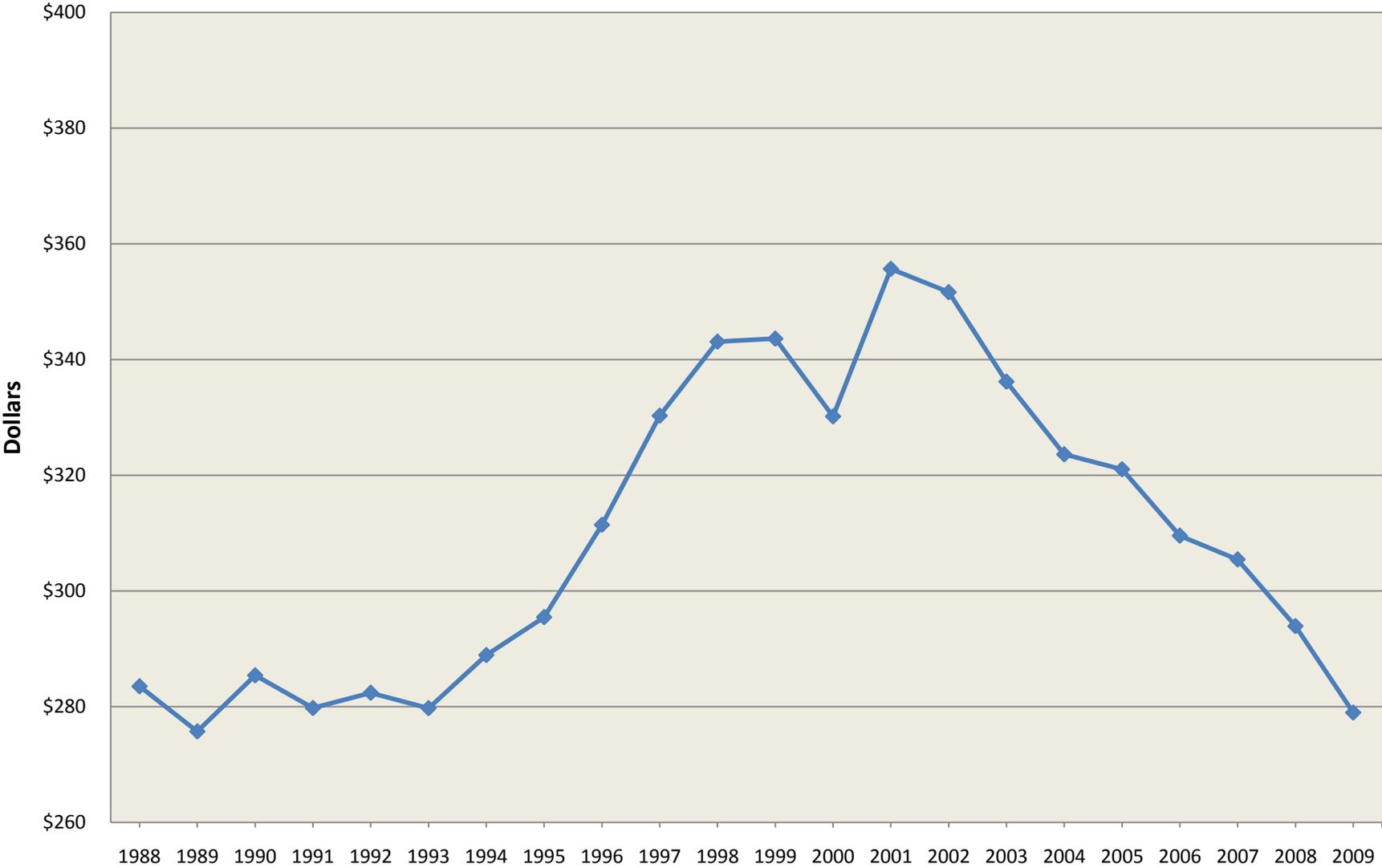
Line	Description	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
1	Net operating revenues	\$3,938,818	\$4,012,099	\$4,541,558	\$4,885,557	\$4,964,652	\$5,158,815	\$5,530,804	\$5,881,555	\$6,385,340	\$6,965,926	\$7,330,827
2	Consumer price index (CPI) for the	115.9	120.8	126.2	137.1	137.1	142.1	147	151	154.7	157.7	160.3
3	CPI in decimal	1.159	1.208	1.262	1.371	1.371	1.421	1.47	1.51	1.547	1.577	1.603
4	Net operating revenues (constant	\$ 3,398,462	\$ 3,321,274	\$ 3,598,699	\$ 3,563,499	\$ 3,621,190	\$ 3,630,412	\$ 3,762,452	\$ 3,895,070	\$ 4,127,563	\$ 4,417,201	\$ 4,573,192
5	Population or other measure	11,987	12,046	12,609	12,738	12,823	12,978	13,023	13,183	13,254	13,374	13,330
6	Net operating revenues per capita	\$283.51	\$275.72	\$285.41	\$279.75	\$282.40	\$279.74	\$288.91	\$295.46	\$311.42	\$330.28	\$343.08

Revenues Per Capita

Fiscal Year Data

		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Net operating revenues	\$7,594,450	\$7,479,764	\$8,292,271	\$8,425,089	\$8,304,703	\$8,162,831	\$8,286,581	\$8,198,458	\$8,280,534	\$8,418,812	\$8,149,533
2	Consumer price index (CPI) for the	163.7	168.6	171.7	174	177.7	180.2	185.2	189.9	194.1	203	204.3
3	CPI in decimal	1.637	1.686	1.717	1.74	1.777	1.802	1.852	1.899	1.941	2.03	2.043
4	Net operating revenues (constant	\$ 4,639,249	\$ 4,436,396	\$ 4,829,511	\$ 4,842,005	\$ 4,673,440	\$ 4,529,873	\$ 4,474,396	\$ 4,317,250	\$ 4,266,117	\$ 4,147,198	\$ 3,989,003
5	Population or other measure	13,502	13,437	13,579	13,770	13,902	13,998	13,938	13,947	13,967	14,110	14,299
6	Net operating revenues per capita	\$343.60	\$330.16	\$355.66	\$351.63	\$336.17	\$323.61	\$321.02	\$309.55	\$305.44	\$293.92	\$278.97

Revenues Per Capita



Revenues Per Capita

Formula:

$$\frac{\text{Net Operating Revenues (constant dollars)}}{\text{Population}}$$

Description: Per capita revenues show changes in revenues relative to changes in population size. As population increases, it might be expected that revenues and the need for services would increase proportionately and therefore that the level of per capita revenues would remain at least constant in real terms. If per capita revenues are decreasing, the government may be unable to maintain existing service levels unless it finds new revenues sources or ways to save money. This reasoning assumes that the cost of services is directly related to population size.

Warning Trend: Decrease in net operating revenues per capita.

Whitewater Analysis: This financial indicator could also use the number of households, assessed value, or employment base as the denominator rather than population. Population was used because the City's population has shown a steady increase in the last 21 years with a total increase of a little over 2300 people during that time or 19.29% (slightly less than 1% per year). The number of total households in the City has probably grown at a faster pace due to the trend in the U.S. of smaller families and greater numbers of single households.

The warning trend is that there is a decrease in net operating revenues per capita occurring in Whitewater. Over the studied 21 year period, adjusting for inflation, revenues per capita has varied from \$275.2 (1989) to \$355.66 (2001). For 2009, the Revenue Per Capita equals \$278.97. Since 2001, revenues per capita has been steadily declining. This reflects lack of growth in the City's major revenue source, - state shared revenues.

This trend raises two questions or possible concerns: 1) Is it reasonable to assume that the increased level of revenues will continue?-if used for new programs (a portion of these increased revenues were used for new programs but not in recent years), the City must plan for a time when these revenues might no longer be available (i.e. state shared revenues), and 2) Do the increased revenues per capita represent an increase in the tax burden as measured by comparing changes in this indicator to changes in personal income, business income or other measures of community wealth?-if the tax burden is increasing will residents and business owners be able to pay for local services?

The City is now at the point when we must address these concerns. Facing a 1.7% cut for 2009 in State Shared Revenue, and the unpredictability of the revenue source in the future, the City must generate new revenue sources and/or cut services and

Intergovernmental Revenues

Fiscal Year Data

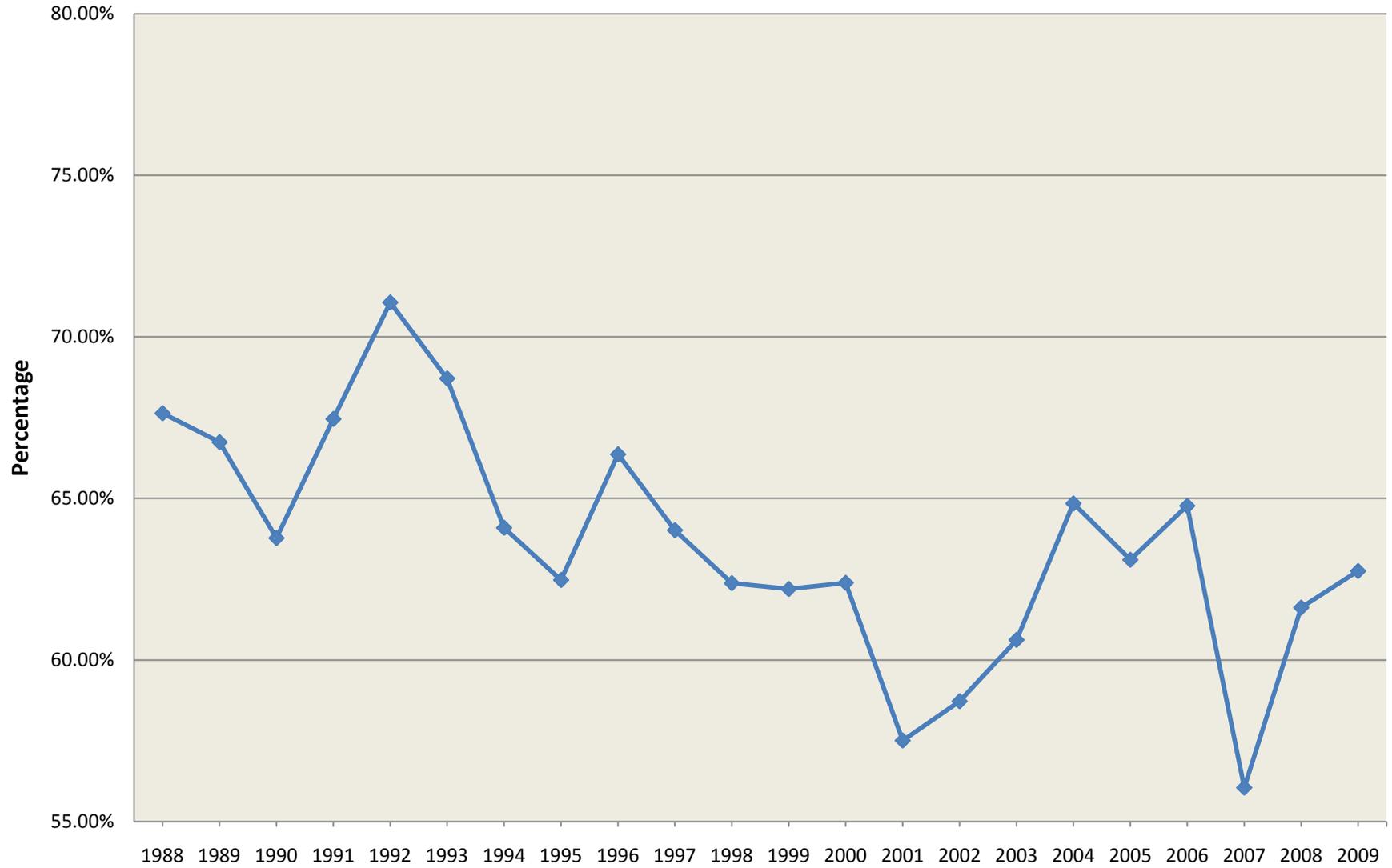
Line	Description	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
1	Intergovernmental operating revenues	\$2,664,056	\$2,677,790	\$2,896,337	\$3,295,787	\$3,528,261	\$3,544,785	\$3,544,785	\$3,674,512	\$4,237,581	\$4,459,380	\$4,572,792
	Shared Revenue											
	Shared Revenue and ERP	\$2,204,094	\$2,179,153	\$2,321,810	\$2,617,495	\$2,711,160	\$2,796,920	\$2,901,586	2,995,726*	\$3,010,443	\$2,990,728	\$3,001,271
	Shared Revenue - Utility									\$276,163.00	\$750,513.00	\$750,513.00
	State Aid											
	Road Allotment	\$258,365	\$275,564	\$300,249	\$332,292	\$361,625	\$409,309	\$444,896	\$457,940	\$464,545	\$466,414	\$490,337
	University Services	\$93,465	\$101,274	\$111,274	\$135,909	\$136,877	\$191,631	\$169,647	\$206,838	\$311,588	\$217,130	\$230,180
2	Net Operating Revenues	\$ 3,938,818	\$4,012,099	\$4,541,558	\$4,885,557	\$4,964,652	\$5,158,815	\$5,530,804	\$5,881,555	\$6,385,340	\$6,965,926	\$7,330,827
3	Intergovernmental operating revenues	67.64%	66.74%	63.77%	67.46%	71.07%	68.71%	64.09%	62.48%	66.36%	64.02%	62.38%

Intergovernmental Revenues

Fiscal Year Data

		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Intergovernmental operating revenues	\$4,723,400	\$4,666,373	\$4,768,554	\$4,947,404	\$5,034,518	\$5,293,086	\$5,228,851	\$5,310,247	\$4,641,085	\$5,187,720	\$5,114,103
	Shared Revenue											
	Shared Revenue and ERP	\$3,004,373	\$3,076,956	\$3,160,561	\$3,191,484	\$3,201,146	\$3,009,206	\$3,047,718	\$3,032,558	\$3,046,697	\$3,016,859	\$3,009,205
	Shared Revenue - Utility	\$750,513	\$750,513	\$750,513	\$758,017	\$765,597	\$750,318	\$727,924	\$698,318	\$668,468	\$639,400	\$611,378
	State Aid											
	Road Allotment	\$494,484	\$553,753	\$558,333	\$633,676	\$645,148	\$619,001	\$591,775	\$567,063	\$472,494	\$450,435	\$508,967
	University Services	\$419,375	\$259,189	\$260,685	\$291,085	\$314,345	\$293,632	\$293,285	\$390,536	\$334,331	\$345,938	\$307,746
2	Net Operating Revenues	\$7,594,450	\$7,479,764	\$8,292,271	\$8,425,089	\$8,304,703	\$8,162,831	\$8,286,581	\$8,198,458	\$8,280,534	\$8,418,812	\$8,149,533
3	Intergovernmental operating revenues	62.20%	62.39%	57.51%	58.72%	60.62%	64.84%	63.10%	64.77%	56.05%	61.62%	62.75%

Intergovernmental Revenues



Intergovernmental Revenues

Formula:

$$\frac{\text{Intergovernmental Operating Revenues}}{\text{Gross Operative Revenues}}$$

Description: Intergovernmental revenues are important because an overdependence on such revenues can be harmful. The federal and state governments struggle with their own budget problems; as a result, they frequently have withdrawn or reduced payments to local governments. Local governments with budgets largely supported by intergovernmental revenues have been particularly harmed. The reduction of intergovernmental funds leaves the municipal government with the dilemma of cutting programs or funding them from general fund revenues.

Warning Trend: Increasing amount of intergovernmental operating revenues as a percentage of gross operating revenues.

Whitewater Analysis: This is a very important financial indicator for the City of Whitewater because of the community's historical reliance on state shared revenues and other state funding. There has been a steady decrease in the City's reliance on intergovernmental revenues over the last 20 years which is a very positive trend.

The City received 67.64% of its operating revenues from intergovernmental sources in 1988 and that percentage has dropped to 62.75% in 2009. The City's chief intergovernmental revenue source, shared revenue from the State of Wisconsin, reached a peak of \$3,201,146 in 2003 and that amount has decreased to \$3,009,205 in 2009.

The City's transportation aid from the State has risen from 1988 through 2003. This increase has been a function of the City's increasing miles of local streets and roads as much as an increase in the amount available from the State for such purposes. Since 2003, the transportation aids have declined from \$645,148 to \$508,967 in 2009. The decline since 2006 can be attributed to the opening of the Whitewater by-pass which took over the State Highway designation and the associated transportation aid from the City.

The City's amount of State assistance for services to the University of Wisconsin-Whitewater has also risen over the studied period; however, it has dropped from a 20 year high in 1999 of \$419,375 to only \$307,746 in 2009.

The City must strive to continue to reduce its reliance on intergovernmental revenues. Policies should be considered by the City Council that would limit intergovernmental revenues to a certain percentage (the current 62.75% would be a logical financial threshold to not go above and efforts should continue to reduce the City's dependence on this revenue source) as well as that all potential grants be carefully examined for matching requirements (both dollar and level-of-effort matches). Intergovernmental assistance should also be used to finance only those capital improvements that are consistent with the City's capital improvement plan and local government priorities, and whose operating and maintenance costs have been included in operating budget forecasts.

Tax Revenues

Fiscal Year Data

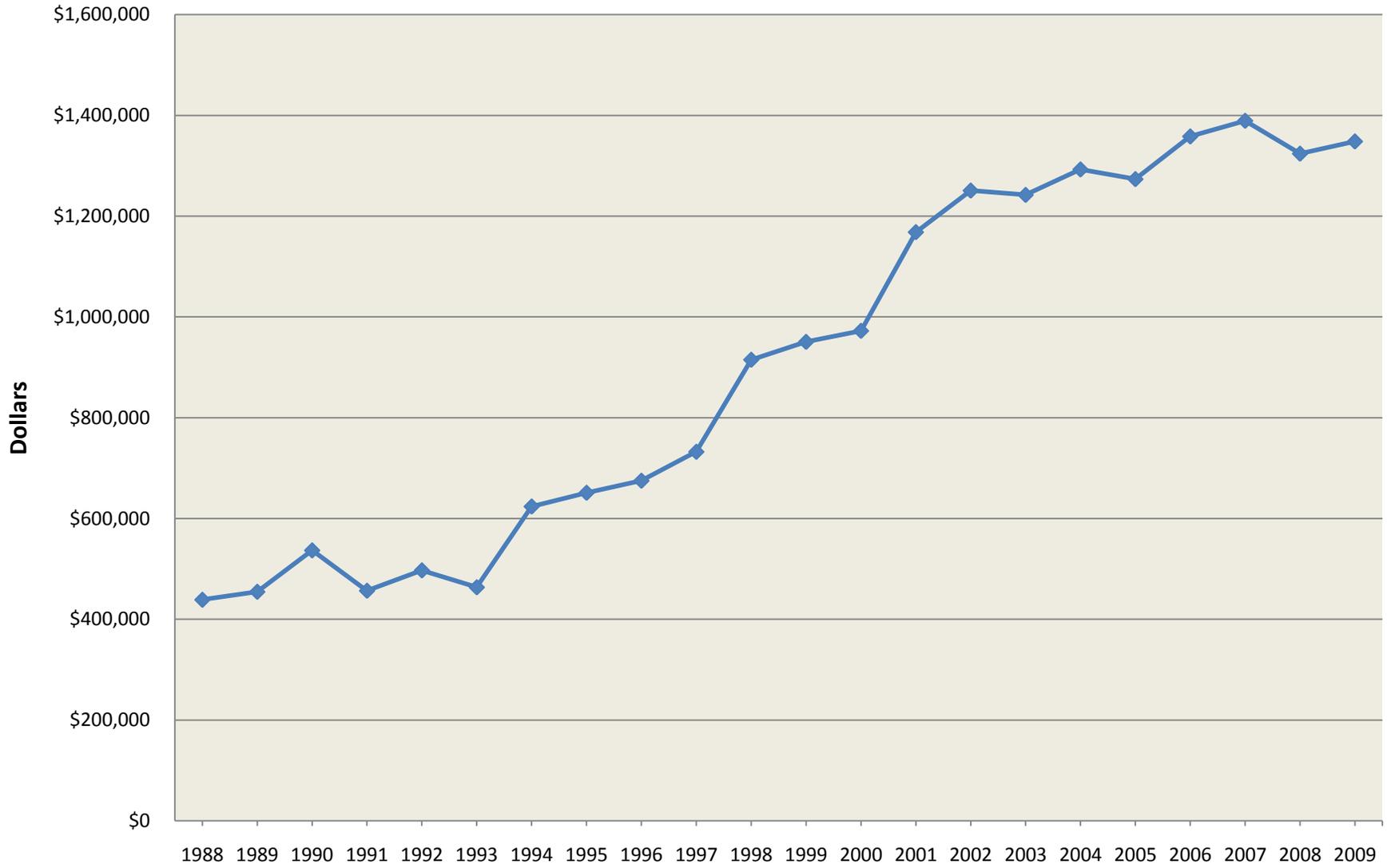
Line	Description	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
1	Tax revenues	\$ 508,634.00	\$549,248	\$677,471	\$603,918	\$681,619	\$658,769	\$917,188	\$983,261	\$1,044,419	\$1,155,102	\$1,466,918
2	Consumer price index (CPI) for the municipality's area	115.9	120.8	126.2	132.2	137.1	142.1	147	151	154.7	157.7	160.3
3	CPI in decimal	1.159	1.208	1.262	1.322	1.371	1.421	1.47	1.51	1.547	1.577	1.603
4	Tax revenues (constant dollars)	\$ 438,856	\$ 454,675	\$ 536,823	\$ 456,821	\$ 497,169	\$ 463,595	\$ 623,937	\$ 651,166	\$ 675,125	\$ 732,468	\$ 915,108

Tax Revenues

Fiscal Year Data

Line	Description	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Tax revenues	\$1,556,159	\$1,639,553	\$2,006,033	\$2,176,397	\$2,207,408	\$2,329,553	\$2,358,651	\$2,579,342	\$2,696,586	\$2,687,809	\$2,754,615
2	Consumer price index (CPI) for the municipality's area	163.7	168.6	171.7	174	177.7	180.2	185.2	189.9	194.1	203	204.3
3	CPI in decimal	1.637	1.686	1.717	1.74	1.777	1.802	1.852	1.899	1.941	2.03	2.043
4	Tax revenues (constant dollars)	\$ 950,616	\$ 972,451	\$ 1,168,336	\$ 1,250,803	\$ 1,242,210	\$ 1,292,760	\$ 1,273,570	\$ 1,358,263	\$ 1,389,277	\$ 1,324,044	\$ 1,348,319

Tax Revenue



Tax Revenues

Formula:

Tax Revenues (constant dollars)

Description: A decline or a diminished growth rate in taxes can have a number of causes. First, it may reflect an overall decline in property values; a decline in national, state, or local economic health; a decline in total number of households; or the movement of retail or industrial operations to other communities. Second, it may result from default on property taxes by property owners or an inefficient assessment of appraisal process for property. Finally, it may result from sales or income tax payers moving their base of operations to other jurisdictions.

Warning Trend: Decline in Tax Revenues (constant dollars).

Whitewater Analysis: Property tax revenues in constant dollars received by the City of Whitewater have risen from \$438,856 in 1988 to \$1,348,319 in 2009 (actual property tax levied in 2009 was \$2,754,615)-an increase of 441.57%. The consumer price index during this same time frame increased 88.4%.

While it is a positive trend that the City has seen an increase in this source of its revenues, it is primarily a function of the good economic conditions that have affected local, regional and state market values. The market value of the City's property soared from \$142.96 million in 1988 to \$632.91 million in 2009.

The assessed values as of January 1, 2009 declined on average by less than 1% within the City of Whitewater. Whitewater has so far fared well as far as Real Estate valuation during the current economic downturn when compared to national and stat-wide indicators.

The City should consider developing and adopting policies to suggest both levels of increase in property tax revenues and procedures for raising revenues from this source.

Expenditures Per Capita

Fiscal Year Data

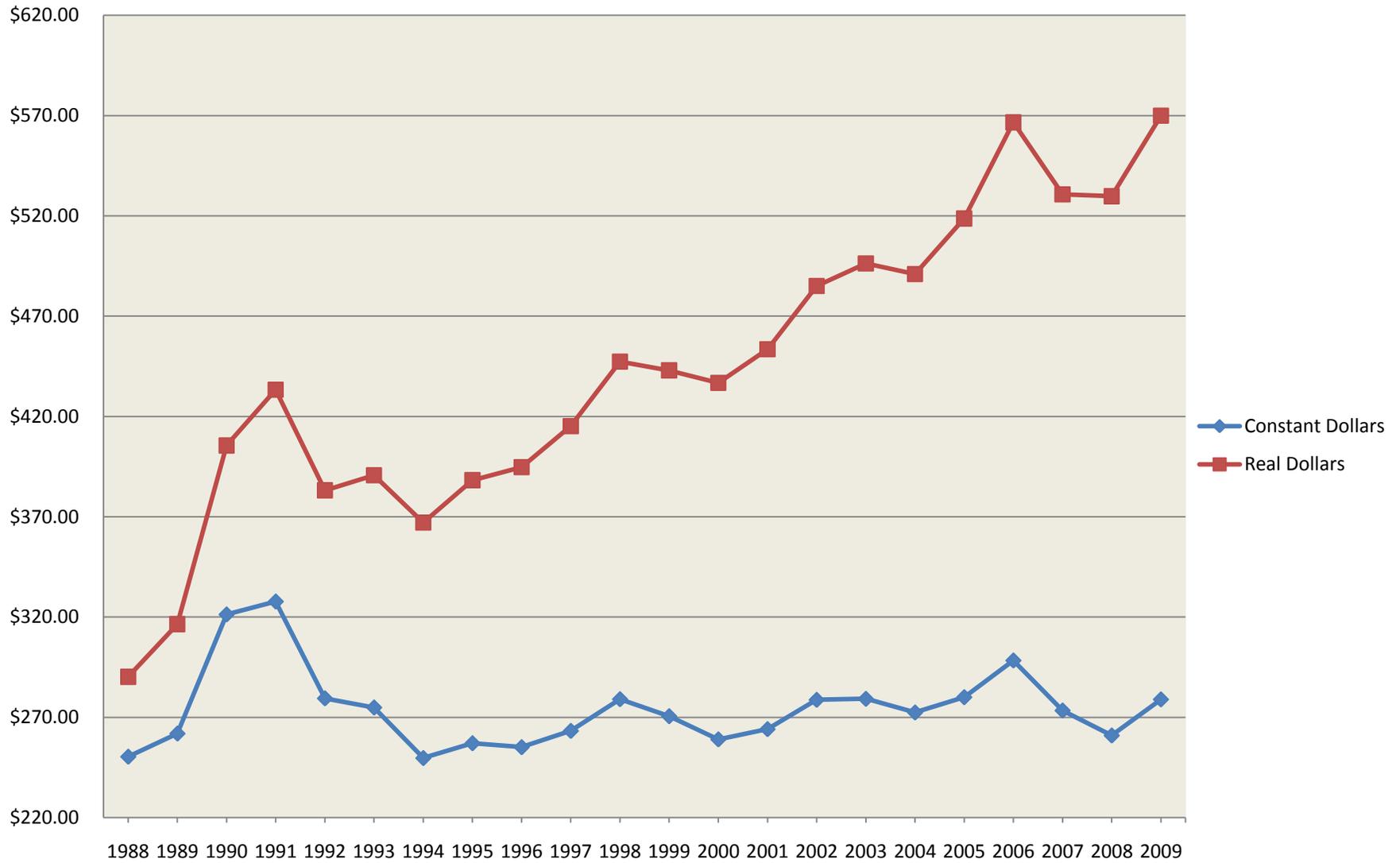
Line	Description	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
1	Net operating expenditures	\$3,478,976	\$3,811,724	\$5,113,123	\$5,519,477	\$4,913,503	\$5,070,190	\$4,780,702	\$5,117,956	\$5,231,425	\$5,552,387	\$5,963,025
2	Consumer price index (CPI) for the municipality's area	115.90	120.80	126.20	132.20	137.10	142.10	147.00	151.00	154.70	157.70	160.30
3	CPI in decimal	1.16	1.21	1.26	1.32	1.37	1.42	1.47	1.51	1.55	1.58	1.60
4	Net operating expenditures in CPI base-year dollars	\$3,001,705	\$3,155,401	\$4,051,603	\$4,175,096	\$3,583,883	\$3,568,044	\$3,252,178	\$3,389,375	\$3,381,658	\$3,520,854	\$3,719,916
5	Population or other measure	\$11,987	\$12,046	\$12,609	\$12,738	\$12,823	\$12,978	\$13,023	\$13,183	\$13,254	\$13,374	\$13,330
6	Net operating expenditures per capita (constant dollars)	\$250	\$262	\$321	\$328	\$279	\$275	\$250	\$257	\$255	\$263	\$279
7	Net operating expenditures per capita	\$290	\$316	\$406	\$433	\$383	\$391	\$367	\$388	\$395	\$415	\$447

Expenditures Per Capita

Fiscal Year Data

		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Net operating expenditures	\$5,980,834	\$5,868,398	\$6,171,516	\$6,641,401	\$6,891,299	\$6,872,127	\$7,229,437	\$7,902,652	\$7,412,705	\$7,475,044	\$8,149,533
2	Consumer price index (CPI) for the municipality's area	163.70	168.60	171.70	174.00	177.70	180.20	185.20	189.90	194.10	203.00	204.30
3	CPI in decimal	1.64	1.69	1.72	1.74	1.78	1.80	1.85	1.90	1.94	2.03	2.04
4	Net operating expenditures in CPI base-year dollars	\$3,653,533	\$3,480,663	\$3,594,360	\$3,816,897	\$3,878,052	\$3,813,611	\$3,903,584	\$4,161,481	\$3,819,013	\$3,682,288	\$3,989,003
5	Population or other measure	\$13,502	\$13,437	\$13,608	\$13,693	\$13,887	\$13,998	\$13,938	\$13,947	\$13,967	\$14,110	\$14,299
6	Net operating expenditures per capita (constant dollars)	\$271	\$259	\$264	\$279	\$279	\$272	\$280	\$298	\$273	\$261	\$279
7	Net operating expenditures per capita	\$443	\$437	\$454	\$485	\$496	\$491	\$519	\$567	\$531	\$530	\$570

Expenditures Per Capita



Expenditures per Capita

Formula:
$$\frac{\text{Net operating expenditures (constant dollars)}}{\text{Population}}$$

Description: Changes in per capita expenditures reflect changes in expenditures relative to changes in population. Increasing per capita expenditures can indicate that the cost of providing services is outstripping the community's ability to pay, especially if spending is increasing fast than the residents' collective personal income. From a different perspective, if the increase in spending is greater than can be accounted for by inflation or addition of new services, it may indicate declining productivity—that is, that the government is spending more real dollars to support the same level of services.

Warning Trend: Increasing number of municipal employees per capita

Whitewater Analysis: This is a very positive financial trend for the City of Whitewater. Even though in current (actual) dollars the City's spending per capita rose from \$290.23 (1988) to \$569.94 in the period from 1988 to 2009, when taking into account inflation and the increased cost of living, City expenditures per capita were about the same in 2009 as in 1988. Thus, even though the City has grown in population and in size (two prime indicators of demand for city services), its spending has really remained very constant.

Part of the reason for this favorable trend is that the City Council is provided with regular reports comparing actual revenues and expenditures to budgeted amounts. Also, the City has employed a number of cost saving measures such as contracting for services or replacing full-time technical staff with consultants and eliminating programs that are no longer important in order to maintain this trend.

In the future, the City needs to integrate into its annual budget process the use of performance measures and productivity indicators to provide better and improved methods to analyze how it is spending on services and programs.

Expenditures by Function (General Government)

Fiscal Year Data

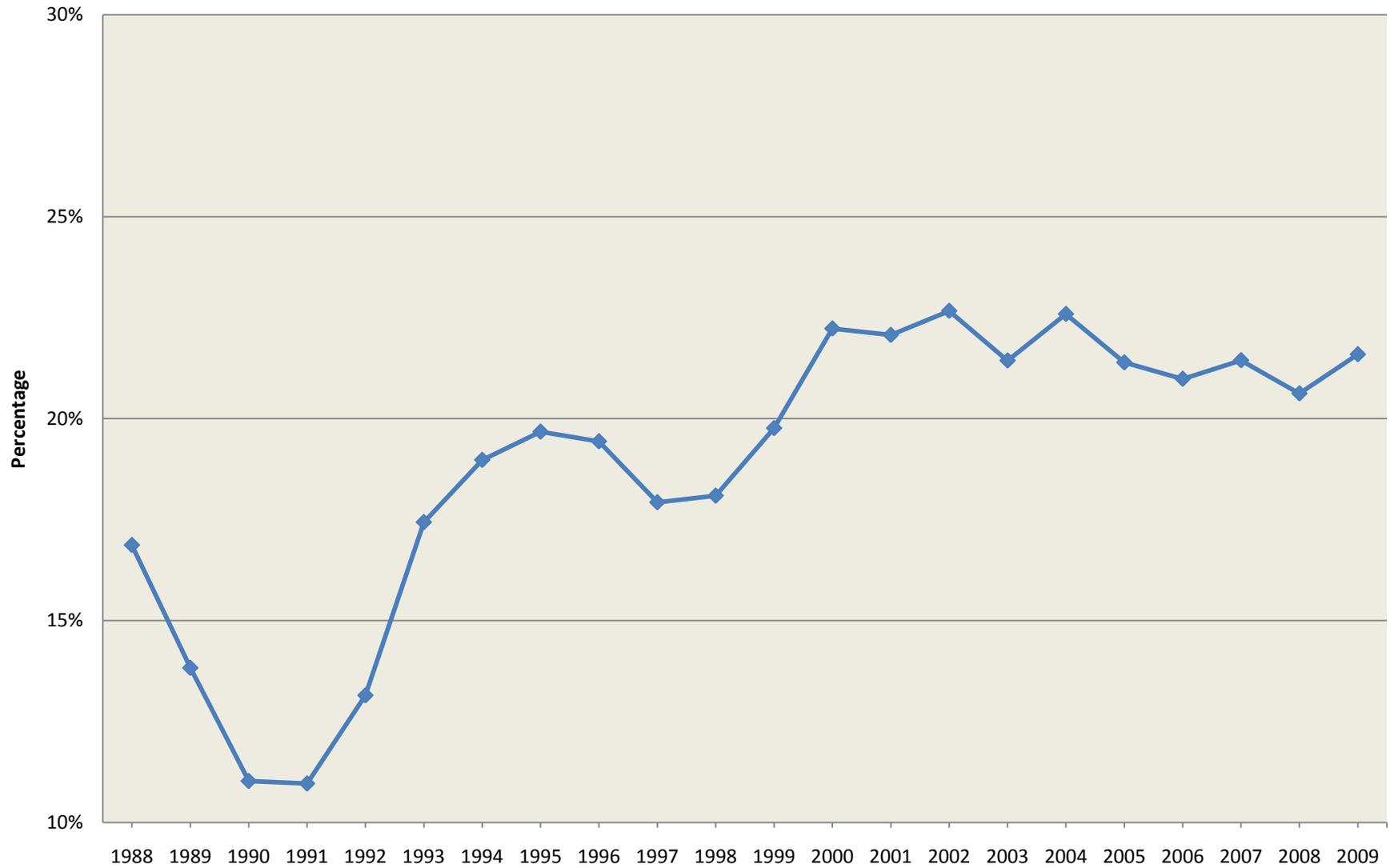
Line	Description	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
1	General and administrative expenditures	\$ 3,467,251	\$3,790,506	\$5,002,058	\$5,510,657	\$4,903,948	\$5,019,659	\$4,780,702	\$5,117,956	\$5,231,425	\$5,536,810	\$5,835,471
	Current Expenditures											
	<i>General Government</i>	\$586,790	\$527,035	\$563,729	\$605,065	\$645,918	\$883,978	\$907,179	\$1,006,942	\$1,016,769	\$995,320	1,078,721
	<i>Public Safety</i>	\$1,413,082	\$1,527,809	\$1,662,679	\$2,239,752	\$1,981,463	\$2,045,357	\$2,197,005	\$2,354,739	\$2,413,767	\$2,546,129	\$2,727,614
	<i>Public Works</i>	\$980,364	\$1,212,365	\$1,373,733	\$1,555,436	\$1,511,955	\$1,354,437	\$936,610	\$946,752	\$879,869	\$959,291	\$989,318
	<i>Culture and Education</i>	\$456,737	\$504,861	\$515,127	\$595,924	\$638,596	\$681,707	\$721,012	\$727,941	\$742,412	\$889,181	\$940,090
	<i>Library</i>	\$91,384	\$93,620	\$106,491	\$127,917	\$185,004	\$226,201	\$248,098	\$272,459	\$285,536	\$307,470	\$316,449
	<i>Young Library Building</i>	\$0	\$0	\$0	\$0	\$36,165	\$49,338	\$61,271	\$67,827	\$62,269	\$182,941	\$75,385
	<i>Conservation and Development</i>	\$30,278	\$18,436	\$886,790	\$514,480	\$126,016	\$54,180	\$18,896	\$81,582	\$178,608	\$146,889	\$99,728
2	Total net operating expenditures	\$ 3,478,976	\$3,811,724	\$5,113,123	\$5,519,477	\$4,913,503	\$5,070,190	\$4,780,702	\$5,117,956	\$5,231,425	\$5,552,387	\$5,963,025
3	General and administrative expenditures as a percentage of total net operating expenditures	16.86674%	13.82668%	11.02514%	10.96236%	13.14577%	17.43481%	18.97585%	19.67469%	19.43579%	17.92598%	18.09016%

Expenditures by Function (General Government)

Fiscal Year Data

Line	Description	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	General and administrative expenditures	\$5,965,253	\$5,843,099	\$6,146,160	\$6,594,912	\$6,797,582	\$6,612,178	\$6,858,975	\$7,009,467	\$7,197,453	\$7,255,440	\$7,604,335
	Current Expenditures											
	<i>General Government</i>	\$1,181,988	\$1,304,541	\$1,362,077	\$1,505,429	\$1,477,271	\$1,552,389	\$1,546,404	\$1,658,240	\$1,589,551	\$1,648,165	\$1,685,780
	<i>Public Safety</i>	\$2,622,899	\$2,585,630	\$2,767,613	\$2,779,086	\$2,979,398	\$2,909,472	\$3,119,994	\$3,146,977	\$3,212,196	\$3,677,579	\$3,587,158
	<i>Public Works</i>	\$974,043	\$892,044	\$915,963	\$1,056,057	\$1,060,332	\$836,396	\$944,426	\$1,010,115	\$1,103,048	\$1,108,765	\$1,023,722
	<i>Culture and Education</i>	\$1,091,875	\$960,955	\$1,000,489	\$1,119,838	\$1,100,189	\$1,100,142	\$1,047,222	\$1,023,285	\$1,049,477	\$1,074,082	\$1,079,797
	<i>Library</i>	\$322,401	\$348,979	\$393,413	\$418,341	\$438,771	\$403,512	\$424,850	\$454,743	\$468,280	\$480,743	\$464,378
	<i>Young Library Building</i>	\$90,872	\$80,012	\$88,154	\$87,290	\$126,889	\$95,804	\$85,609	\$118,777	\$162,298	\$96,783	\$116,175
	<i>Conservation and Development</i>	\$94,448	\$99,929	\$100,018	\$134,502	\$180,392	\$213,779	\$200,929	\$170,850	\$243,181	\$181,272	\$227,878
2	Total net operating expenditures	\$5,980,834	\$5,868,398	\$6,171,516	\$6,641,401	\$6,891,299	\$6,872,127	\$7,229,437	\$7,902,652	\$7,412,705	\$7,991,981	\$7,807,626
3	General and administrative expenditures as a percentage of total net operating expenditures	19.76293%	22.22993%	22.07038%	22.66734%	21.43676%	22.58964%	21.39038%	20.98334%	21.44360%	20.62273%	21.59145%

General Government As a Percentage of Total Expenditures



Expenditures by Function

Formula:
$$\frac{\text{Operating expenditures for one function}}{\text{Total net operating expenditures}}$$

Description: Expenditures by function shows a more detailed breakdown of a local government's general governmental funds expenditures. Expenditures by function will help analyze the cause of the increases in governmental spending over time.

Warning Trend: Increasing operating expenditures for one function as a percentage of total net operating expenditures.

Whitewater Analysis: This is very interesting financial trend because it shows how much spending has changed over time by the City by function. Also, it is good to track how much the general government costs (essentially the administrative and overhead costs of operating the City) have gone up or down as a percentage of the "line" operations of the municipality.

When looking at the 1988 to 2009 time period, Whitewater's general government costs as a percentage of total net operating expenses dropped to a low of 10.962% in 1991 and then steadily rose to a high of 22.67% in 2002. Since 2002, the percentage has fluctuated between 20.62% (2002) to 22.59% (2004). The 2009 percentage was 21.597%. The policy goal is 20%.

It is important for Whitewater city government to monitor this trend and work towards keeping its administrative and overhead costs down as much as possible. A policy goal should be to keep these costs below 20% in the future.

The spending priorities have shifted somewhat in the last 22 years. The percentage of total spending going to support all broad functional categories (Culture, Education, and Recreation; Conservation and Development; General Government; Library, and Public Safety) with the major exception of Public Works has increased during this time frame. Spending for Conservation and Development as well as for the Library has increased seven-fold between 1988 and 2009. Public Safety still commands the highest percentage of city functional spending and now represents 46% of the total operating budget.

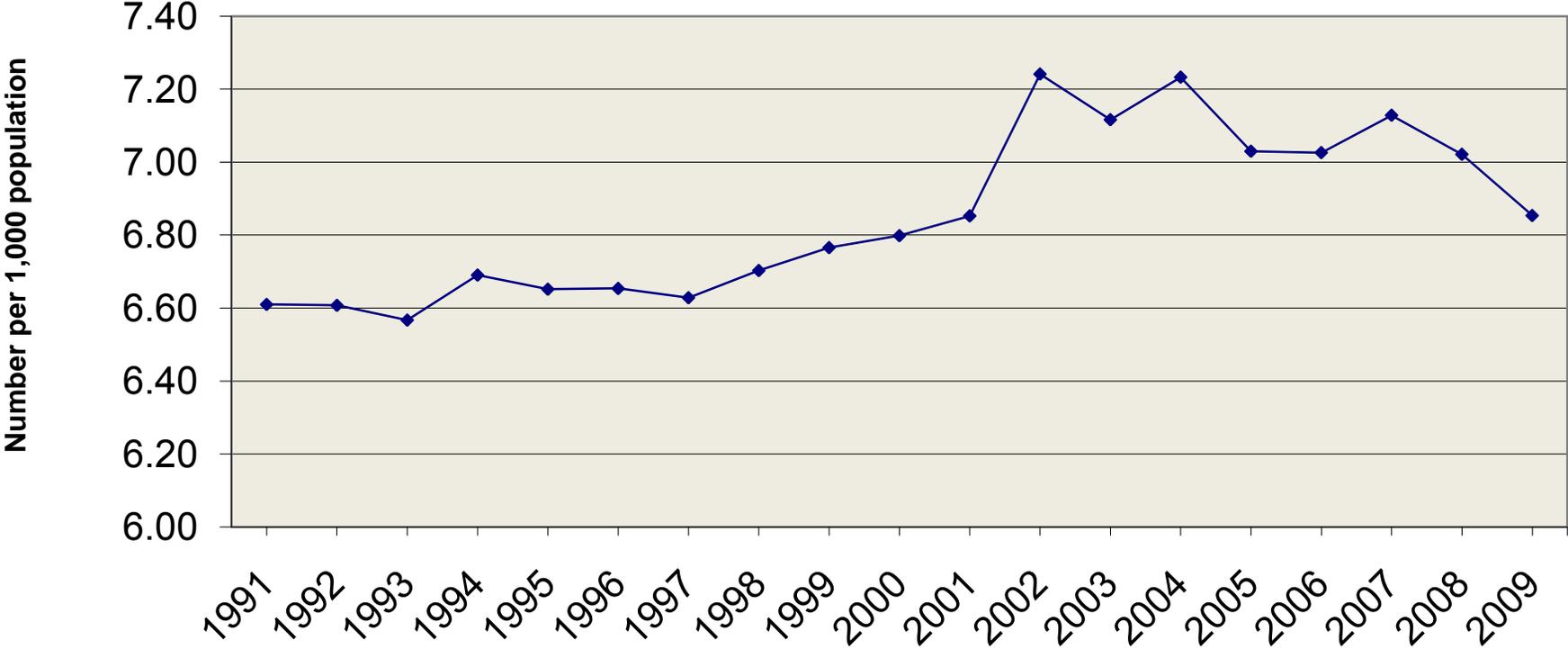
The percentage of spending for public works has dropped precipitously from 28.2% in 1988 to 13.1% in 2009. Part of this drop is due to accounting changes for major infrastructure improvement projects, now funded through a Capital Improvement Program (CIP) as well as the financing of major public works equipment purchases through a capital equipment fund. But it also indicative of greater efficiencies in public works operations such as contracting out of some major functions such as refuse and recycling collection/disposal and new technologies.

The City took a major step forward in late 2006 by establishing a non-lapsing Street Repair Fund. This is a positive sign of the City's commitment towards adequately maintaining its infrastructure before street reconstruction costs grow exponentially because of deferred repair and maintenance work.

The City needs to be wary of this latter trend towards less spending on public works because it may be indicative of reduced infrastructure maintenance efforts which could lead to substantially higher operating costs in the future if the infrastructure is not kept up to date.

In the fall of 2007, the City established a Stormwater Utility which transferred the General Fund expenditures related to street cleaning and storm water maintenance to the Stormwater Utility.

Employees per 1,000



Employees per 1,000 Population (1991-2009)

Fiscal Year Data

Line	Description	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Number of municipal employees	84.2	84.73	85.23	87.13	87.69	88.19	88.65	89.35	91.35	91.35	93.25	99.15	98.82	101.24	97.98	97.99	99.56	99	98
2	Population or other measure	12,738	12,823	12,978	13,023	13,183	13,254	13,374	13,330	13,502	13,437	13,608	13,693	13,887	13,998	13,938	13,947	13,967	14,100	14,299
3	Number of municipal employees per capita	6.6101	6.6077	6.5673	6.6905	6.6517	6.6538	6.6285	6.7029	6.7657	6.7984	6.8526	7.2409	7.1160	7.2325	7.0297	7.0259	7.1282	7.0213	6.8536

Employees per 1,000

Formula:
$$\frac{\text{Number of municipal employers}}{\text{Population}}$$

Description: Because personnel cost are a major portion of a local government's operating budget, plotting changes in the number of employees per capita is a good way to measure changes in expenditures. An increase in employees per capita might indicate that expenditures are rising faster than revenues that the government is becoming more labor intensive, or that personnel productivity is declining.

Warning Trend: Increasing number of municipal employees per capita

Whitewater Analysis: This is a positive financial trend for the City, particularly over the last several years.

The number of full-time, permanent employees per 1,000 population in 2008 was 7.02. Compared to 6.61 in 1991, this number has stayed relatively constant. The number of city employees reached a peak of 7.24 per 1,000 residents in 2002 but that has fallen to 7.02 in 2008.

This trend may indicate that Whitewater city government is becoming less labor intensive or that personnel productivity is increasing.

In some local governments, population may not be the best denominator for this indicator. For example, households, assessed value or employment base might be a better measure than a per capita measure. However, with Whitewater this seems to be an appropriate measure because our city services tend to be driven more by population, particularly the large student population, than by these other factors. This may change as the Whitewater Business Park continues to develop and more single-family homes are constructed in the City.

Operating Deficit or Surplus

Fiscal Year Data

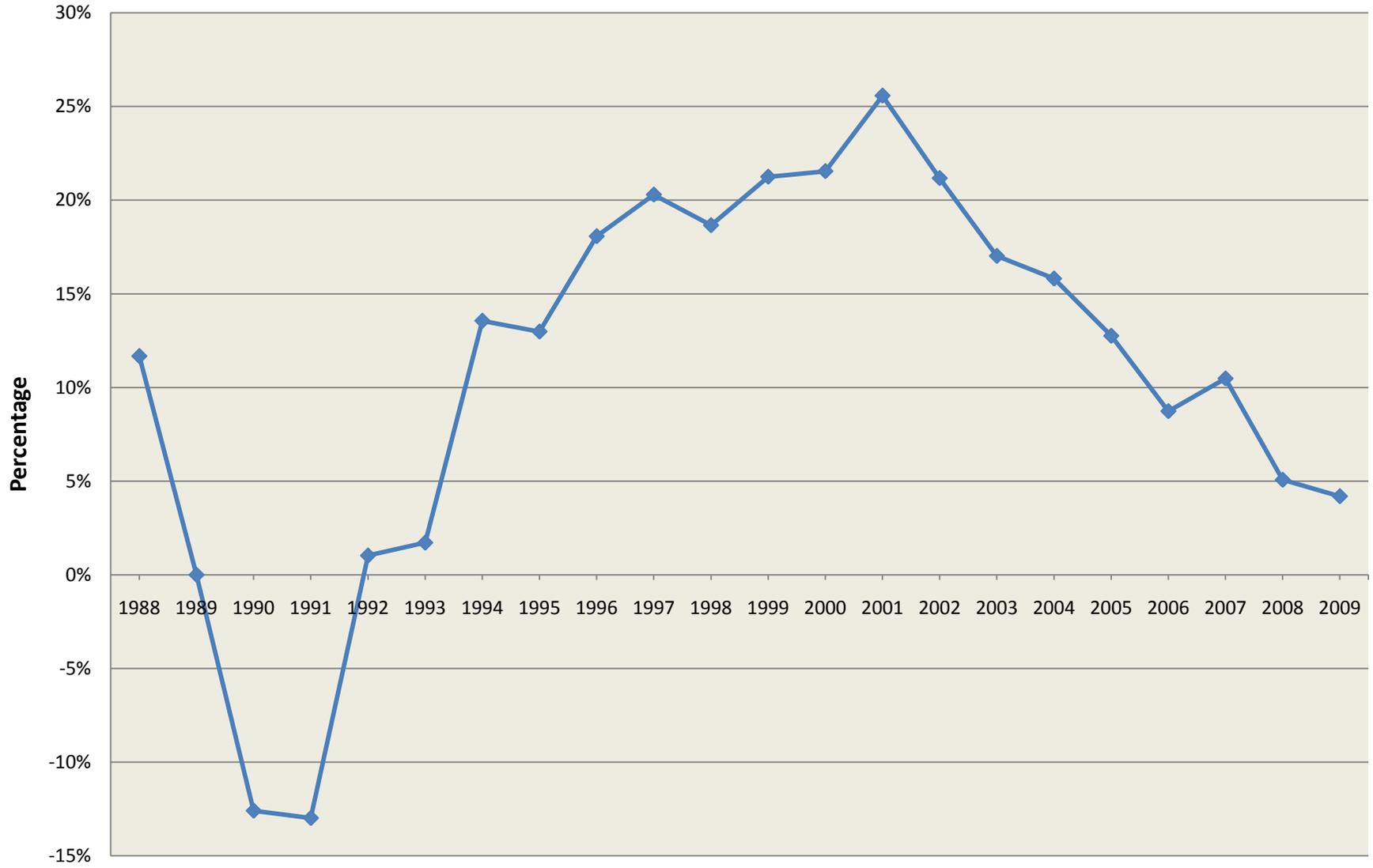
Line	Description	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
1	General fund operating deficit or surplus	\$459,842	\$0	(\$571,565)	(\$633,920)	\$51,149	\$88,625	\$750,102	\$763,599	\$1,153,915	\$1,413,539	\$1,367,802
2	Net operating revenue	\$3,938,818	\$4,012,099	\$4,541,558	\$4,885,557	\$4,964,652	\$5,158,815	\$5,530,804	\$5,881,555	\$6,385,340	\$6,965,926	\$7,330,827
3	General fund operating deficit as a percentage of net operating revenues ¹	12%	0%	-13%	-13%	1%	2%	14%	13%	18%	20%	19%

Operating Deficit or Surplus

Fiscal Year Data

Line	Description	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	General fund operating deficit or surplus	\$1,613,616	\$1,611,366	\$2,120,755	\$1,783,688	\$1,413,404	\$1,290,704	\$1,057,144	\$716,251	\$867,829	\$426,831	\$341,907
2	Net operating revenue	\$7,594,450	\$7,479,764	\$8,292,271	\$8,425,089	\$8,304,703	\$8,162,831	\$8,286,581	\$8,198,458	\$8,280,534	\$8,414,812	\$8,149,533
3	General fund operating deficit as a percentage of net operating revenues ¹	21%	22%	26%	21%	17%	16%	13%	9%	10%	5%	4%

Operating Deficit or Surplus



Fund Balances

Fiscal Year Data

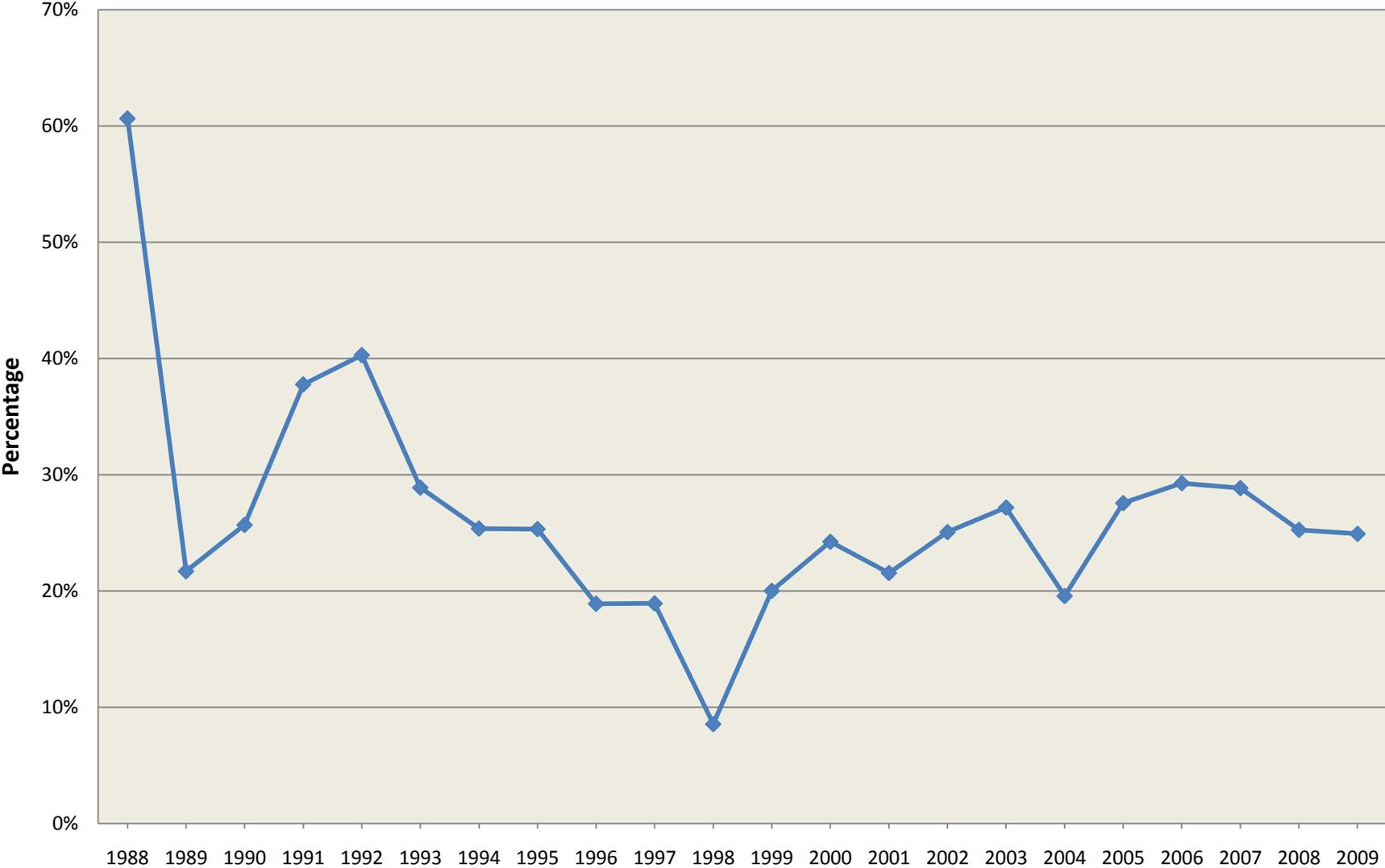
Line	Description	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
1	Unreserved fund balances	\$2,389,016	\$870,997	\$1,166,959	\$1,846,037	\$2,000,674	\$1,491,029	\$1,403,885	\$1,490,205	\$1,207,772	\$1,319,570	\$627,857
2	Net operating revenues	\$3,938,818	\$4,012,099	\$4,541,558	\$4,885,557	\$4,964,652	\$5,158,815	\$5,530,804	\$5,881,555	\$6,385,340	\$6,965,926	\$7,330,827
3	Unreserved fund balances as a percentage of net operating revenues	61%	22%	26%	38%	40%	29%	25%	25%	19%	19%	9%

Fund Balances

Fiscal Year Data

Line	Description	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Unreserved fund balances	\$1,521,145	\$1,813,656	\$1,787,953	\$2,113,080	\$2,257,910	\$1,598,273	\$2,284,886	\$2,401,276	\$2,390,206	\$2,127,665	\$2,031,393
2	Net operating revenues	\$7,594,450	\$7,479,764	\$8,292,271	\$8,425,089	\$8,304,703	\$8,162,831	\$8,286,581	\$8,198,458	\$8,280,534	\$8,418,812	\$8,149,533
3	Unreserved fund balances as a percentage of net operating revenues	20%	24%	22%	25%	27%	20%	28%	29%	29%	25%	25%

Fund Balance



Fund Balances

$$\text{Formula: } \frac{\text{Unreserved fund balances}}{\text{Net operating revenues}}$$

Description: The size of a local government's fund balances can affect its ability to withstand financial emergencies. It can also affect its ability to accumulate funds for capital purchases without having to borrow. Positive fund balances can also be thought of as reserves. An unplanned decline in fund balances may mean that the government will be unable to meet a future need.

Warning Trend: Declining unreserved fund balances as a percentage of net operating revenues.

Whitewater Analysis: While declining unreserved or undesignated fund balances as a percentage of net operating revenues is regarded as a warning trend, the City of Whitewater is regarded as being in good shape here because for the last fifteen years or so it has maintained this percentage between 20% and 30% (with the exception of 1991 and 1992 when this rose to approximately 40%).

As stated in the previous indicator analysis, the City has a policy to maintain a minimum of 20% of the annual operating budget in operating reserves (undesignated fund balance). Historically, the City has been conservative in its annual budget revenue projections and has had budgeted funds go unspent, thus providing an annual increase in its operating reserves. This conservative approach to annual budget-making should be maintained as well as rigid adherence to the 20% policy noted above. In 2004, the City dipped below the 20% threshold by approximately .5%. In the last five years, however, the City has bounced back to between 25-29%.

Current Liabilities

Fiscal Year Data

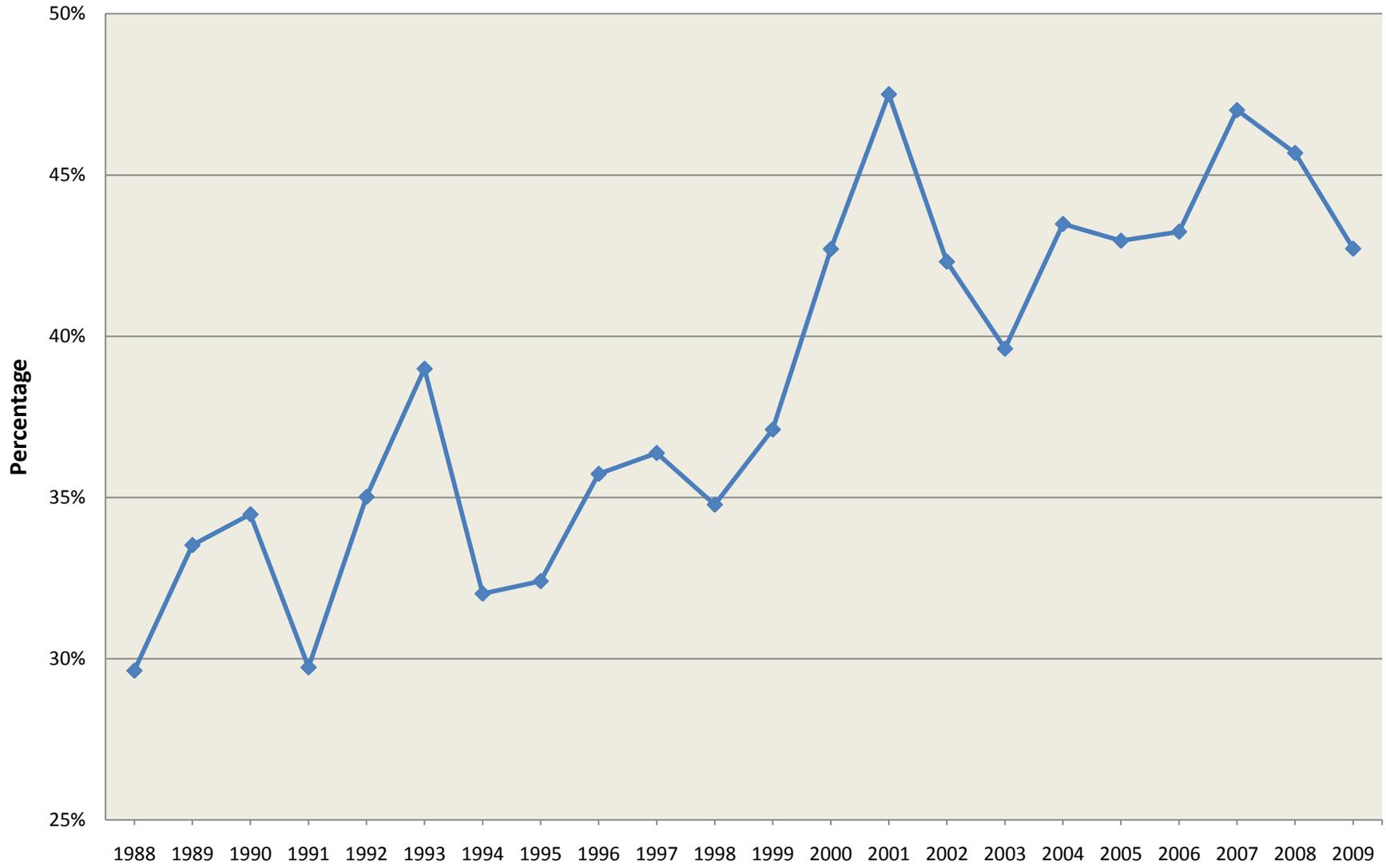
		1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
1	Current liabilities	\$1,167,290	\$1,345,102	\$1,565,936	\$1,452,765	\$1,738,812	\$2,011,616	\$1,771,091	\$1,906,183	\$2,281,812	\$2,534,374	\$2,549,718
2	Net operating revenues	\$3,938,818	\$4,012,099	\$4,541,558	\$4,885,557	\$4,964,652	\$5,158,815	\$5,530,804	\$5,881,555	\$6,385,340	\$6,965,926	\$7,330,827
3	Current liabilities as a percentage of net operating revenues	30%	34%	34%	30%	35%	39%	32%	32%	36%	36%	35%

Current Liabilities

Fiscal Year Data

		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Current liabilities	\$2,818,376	\$3,194,356	\$3,939,155	\$3,564,981	\$3,290,093	\$3,549,486	\$3,560,272	\$3,545,195	\$3,892,853	\$3,846,062	\$3,481,293
2	Net operating revenues	\$7,594,450	\$7,479,764	\$8,292,271	\$8,425,089	\$8,304,703	\$8,162,831	\$8,286,581	\$8,198,458	\$8,280,534	\$8,418,812	\$8,149,533
3	Current liabilities as a percentage of net operating revenues	37%	43%	48%	42%	40%	43%	43%	43%	47%	46%	43%

Current Liabilities



Current Liabilities

Formula:
$$\frac{\text{Current liabilities}}{\text{Net operating revenues}}$$

Description: Current liabilities are defined as the sum of all liabilities due at the end of the fiscal year, including short-term debt, current portion of long-term debt, all accounts payable, accrued liabilities, and other current liabilities. Short-term borrowing is an accepted way to deal with uneven cash flow, an increasing amount of short-term debt outstanding at the end of successive years can indicate liquidity problems, deficit spending, or both.

Warning Trend: Increasing current liabilities at the end of the year as a percentage of net operating revenues.

Whitewater Analysis: The municipal credit industry considers the following situations negative factors: 1) short-term debt outstanding at the end of each fiscal year should not exceed 5 percent of operating revenues, and 2) a two-year trend of increasing short-term debt outstanding at the end of the fiscal year. The City has not violated either of these factors.

The City of Whitewater has avoided both of these negative factors and since 2001 has seen a steady decline from 48% to 43% in its current liabilities as a percentage of net operating revenues at the end of each fiscal year. The City has conscientiously managed its finances so that short-term debt is not used for cash shortfalls as well as not postponing accounts payable to cope with revenue shortfalls or over expenditures.

Net Direct Bonded Long-Term Debt as a Percentage of Assessed Valuation

Fiscal Year Data

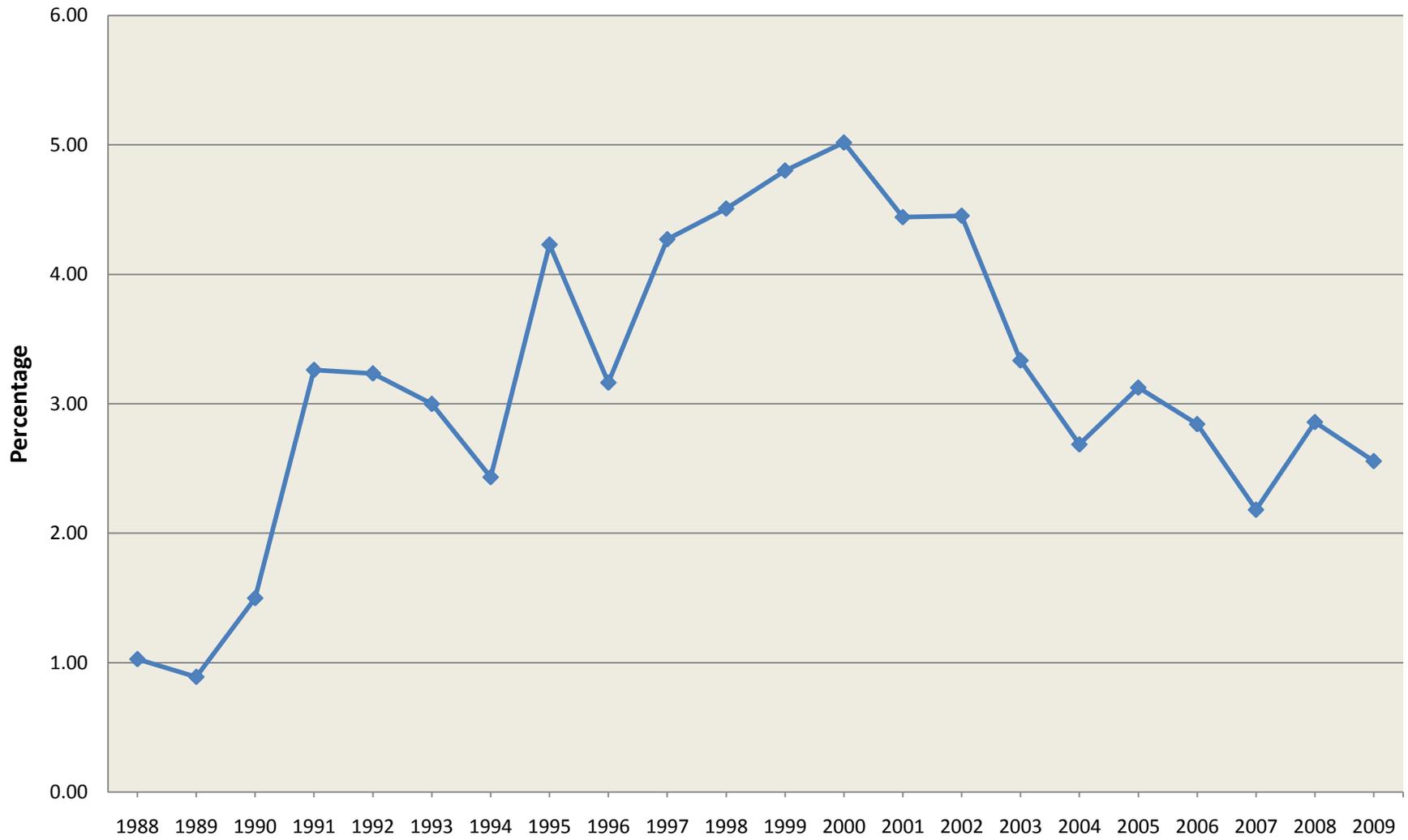
Line	Description	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
1	Assessed valuation	\$142,962,144	\$146,524,047	\$149,089,000	\$151,849,260	\$156,823,900	\$161,623,700	\$197,772,500	\$201,668,300	\$246,044,100	\$272,846,900	\$305,564,616
2	Population	11,987	12,046	12,609	12,738	12,823	12,978	13,023	13,183	13,254	13,374	13,330
3	Personal income	\$1,111,957	\$1,215,740	\$1,278,996	\$1,342,129	\$1,452,602	\$1,553,581	\$1,685,886	\$1,790,764	\$1,897,835	\$2,026,537	\$2,026,537
4	Net direct bonded long-term debt	\$1,469,375	\$1,305,000	\$2,235,000	\$4,953,000	\$5,072,416	\$4,847,263	\$4,812,776	\$8,530,633	\$7,783,202	\$11,652,588	\$13,774,842
5	Net direct bonded long-term debt as a percentage of assessed valuation	1.03	0.89	1.50	3.26	3.23	3.00	2.43	4.23	3.16	4.27	4.51
6	Net direct bonded long-term debt as a percentage of population	122.5807124	108.3347169	177.2543421	388.836552	395.5717071	373.4984589	369.5597021	647.0934537	587.2341935	871.2866756	1033.371493
7	Net direct bonded long-term debt as a percentage of personal income	132.14%	107.34%	132.14%	369.04%	349.20%	312.01%	285.47%	476.37%	410.11%	575.00%	679.72%

Net Direct Bonded Long-Term Debt as a Percentage of Assessed Valuation

Fiscal Year Data

Line	Description	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Assessed valuation	\$328,337,800	\$344,801,700	\$377,658,825	\$401,156,875	\$433,206,500	\$476,636,950	\$496,551,900	\$542,527,200	\$633,007,350	\$629,359,650	\$632,714,700
2	Population	13,502	13,512	13,608	13,693	13,887	13,996	14,311	14,420	11,210	11,260	14,299
3	Personal income	\$2,206,355	\$2,315,525	\$2,522,363	\$2,546,417	\$2,689,137	\$2,853,355	\$2,941,270	\$3,029,508	\$3,344,541	\$3,414,027	\$3,414,027
4	Net direct bonded long-term debt	\$15,765,074	\$17,302,379	\$16,773,374	\$17,862,096	\$14,444,133	\$12,803,501	\$15,517,051	\$15,424,074	\$13,808,499	\$17,990,890	\$16,179,954
5	Net direct bonded long-term debt as a percentage of assessed valuation	4.80	5.02	4.44	4.45	3.33	2.69	3.12	2.84	2.18	2.86	2.56
6	Net direct bonded long-term debt as a percentage of population	1167.61028	1280.519464	1232.611258	1304.469145	1040.119032	914.7971563	1084.274404	1069.630652	1231.801873	1597.769982	1131.544444
7	Net direct bonded long-term debt as a percentage of personal income	714.53%	747.23%	664.99%	701.46%	537.13%	448.72%	527.56%	509.13%	412.87%	526.97%	473.93%

Net Direct Bonded Long-Term Debt as a Percentage of Assessed Valuation



Long Term Debt

Formula:
$$\frac{\text{Net Direct Bonded Long-Term Debt}}{\text{Assessed Valuation}}$$

Description: “Direct debt” is bonded debt for which the local government has pledged its full faith and credit. It does not include the debt of overlapping jurisdictions, such as school districts and county governments.

“Self-supporting debt” is bonded debt that the local government has pledged to repay from a source separate from its general tax revenues. Examples would be a water bond that is repaid from the income of the water utility or bonds issued for tax incremental finance districts that will be repaid from the “incremental” increase in the tax base located within the district.

“Net direct debt” is direct debt minus self-supporting debt. An increase in net direct bonded long-term debt as a percentage of assessed valuation (or the city could use population and/or personal income) as the denominator can mean that the government’s ability to repay its debt is diminishing-assuming that the city depends on the property tax to pay its debts.

Warning Trend: Increasing net direct bonded long-term debt as a percentage of assessed valuation

Whitewater Analysis: The City of Whitewater has seen a significant decline in its long-term debt as a percentage of its assessed valuation. This percentage reached a peak of 5.02% in 2000 and was reduced to 2.56% in 2009.

There are two primary reasons for this positive financial trend: 1) the use of annual shared utility revenue as the primary source of the City’s Capital Improvements Program (CIP), and 2) the average annual high single-digit increase in the city’s assessed valuation over the last ten years. Also, the City has been using tax incremental financing very efficiently to fund some capital improvements that normally would be borrowed for such as the Fremont/North reconstruction projects that are planned to be funded through amended TID #4. Projects funded through TID #4 for 2009 included: North/First St. Reconstruction, and Whitewater St. Plaza/Parking reconstruction.

Credit industry benchmarks for assessing long-term debt often include the net direct bonded debt of the City, as well as the bonded debt of the Whitewater Unified School District, Gateway Technical School District, Walworth County and Jefferson County. As stated above, net direct bonded debt plus overlapping bonded debt is referred to as overall net debt. Warning signals for overall net debt are as follows:

- Overall net debt exceeding 10 percent of assessed valuation
- An increase of 20 percent over the previous year in overall net debt as a percentage of market valuation
- Overall net debt as a percentage of market valuation increasing 50 percent over the figure for four years earlier
- Overall net debt per capita exceeding 15 percent of per capita net income
- Net direct debt exceeding 90 percent of the amount authorized by law

The City, while only contributing a portion of this net debt, is well below each of these credit standards.

Net Direct Debt Service

Fiscal Year Data

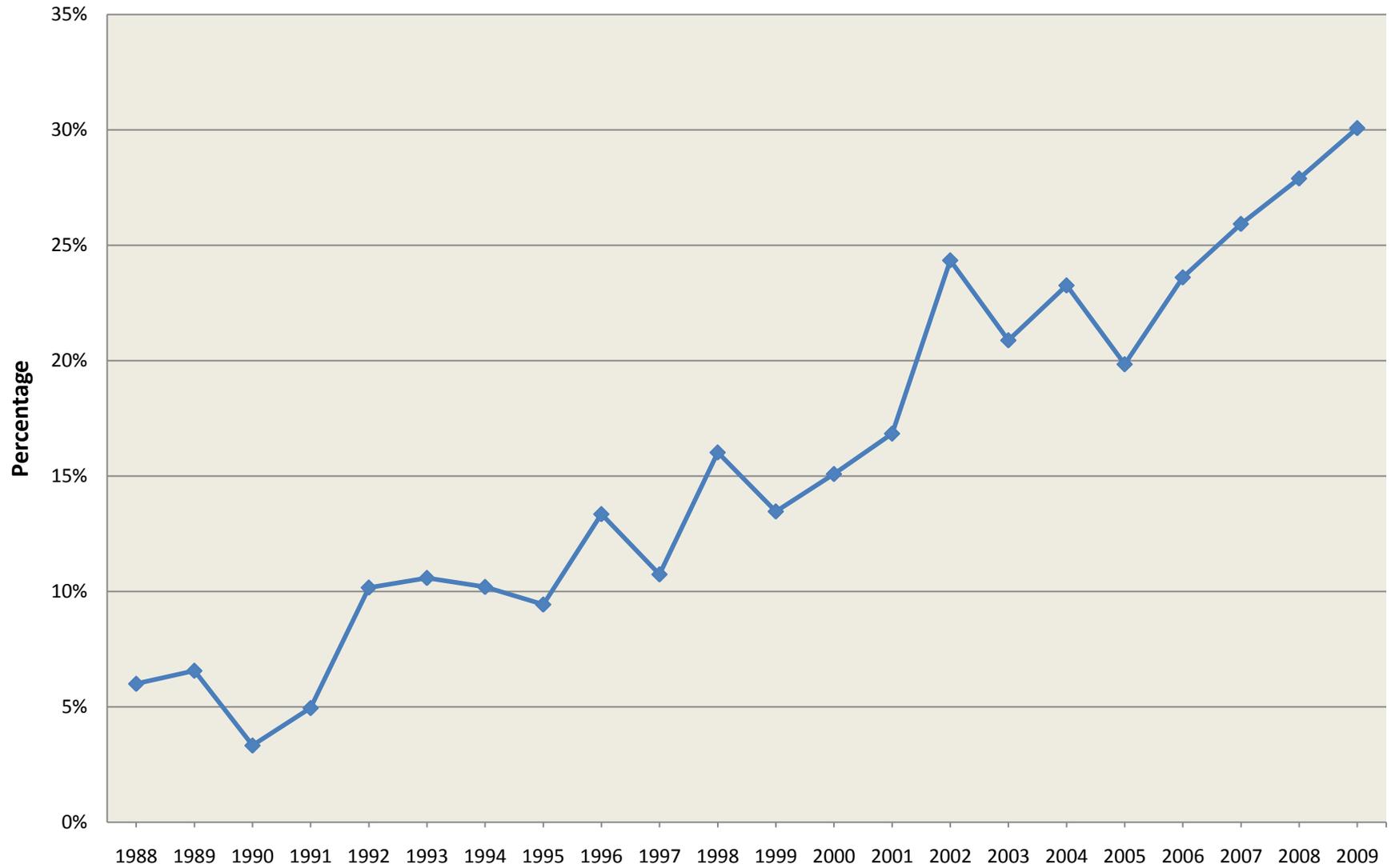
Line	Description	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
1	Net direct debt service	\$236,458	\$263,587	\$151,250	\$241,943	\$505,020	\$546,360	\$564,238	\$555,112	\$852,779	\$748,483	\$1,174,854
2	Net operating revenues	\$3,938,818	\$4,012,099	\$4,541,558	\$4,885,557	\$4,964,652	\$5,158,815	\$5,530,804	\$5,881,555	\$6,385,340	\$6,965,926	\$7,330,827
3	Net direct debt service as a percentage of net operating	6%	7%	3%	5%	10%	11%	10%	9%	13%	11%	16%

Net Direct Debt Service

Fiscal Year Data

Line	Description	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Net direct debt service	\$1,023,071	\$1,128,894	\$1,396,675	\$2,051,427	\$1,734,562	\$1,899,021	\$1,644,734	\$1,935,771	\$2,146,990	\$2,347,476	\$2,451,288
2	Net operating revenues	\$7,594,450	\$7,479,764	\$8,292,271	\$8,425,089	\$8,304,703	\$8,162,831	\$8,286,581	\$8,198,458	\$8,280,534	\$8,414,812	\$8,149,533
3	Net direct debt service as a percentage of net operating	13%	15%	17%	24%	21%	23%	20%	24%	26%	28%	30%

Net Direct Debt Service



Net Direct Debt Service

Formula:
$$\frac{\text{Net Direct Debt Service}}{\text{Net Operating Revenues}}$$

Description: Debt service is defined here as the amount of principal and interest that a local government must pay each year on net direct bonded long-term debt plus the interest it must pay on direct short-term debt. Increasing debt service reduces expenditure flexibility by adding to the government's obligations. Debt service can be a major part of a city's fixed costs, and its increase may indicate excessive debt and fiscal strain.

Warning Trend: Increasing net direct debt service as a percentage of net operating revenues

Whitewater Analysis: According to credit industry standards, debt service on net direct debt exceeding 20 percent of operating revenues is considered a potential problem. Ten percent is considered acceptable.

In analyzing this trend, the City in 2006 had a percentage of 24.35% which is considerably above the credit industry standard. However, because the City has issued \$ 3,618,622 in new debt for TID#4 in 2005, \$500,000 in 2006, and \$5,600,000 in 2008, this percentage will be increasing. The general fund has only a small portion of the total debt service outstanding for the City. 85% of the net direct debt service is due to borrowings for TID #4. The balance of 15% is supported by the shared revenue utility payment from the power plant.

Policy statements should be developed by the City that would indicate desirable levels of debt service as well as procedures for analyzing future debt service. Suggested policies are that 1) total debt service for general obligation debt will not exceed 10 percent of annual operating revenues and 2) before bonded long-term debt is issued, the impact of debt service on total annual fixed costs will be analyzed.

Pension Obligation as Percentage of Salaries and Wages

Fiscal Year Data

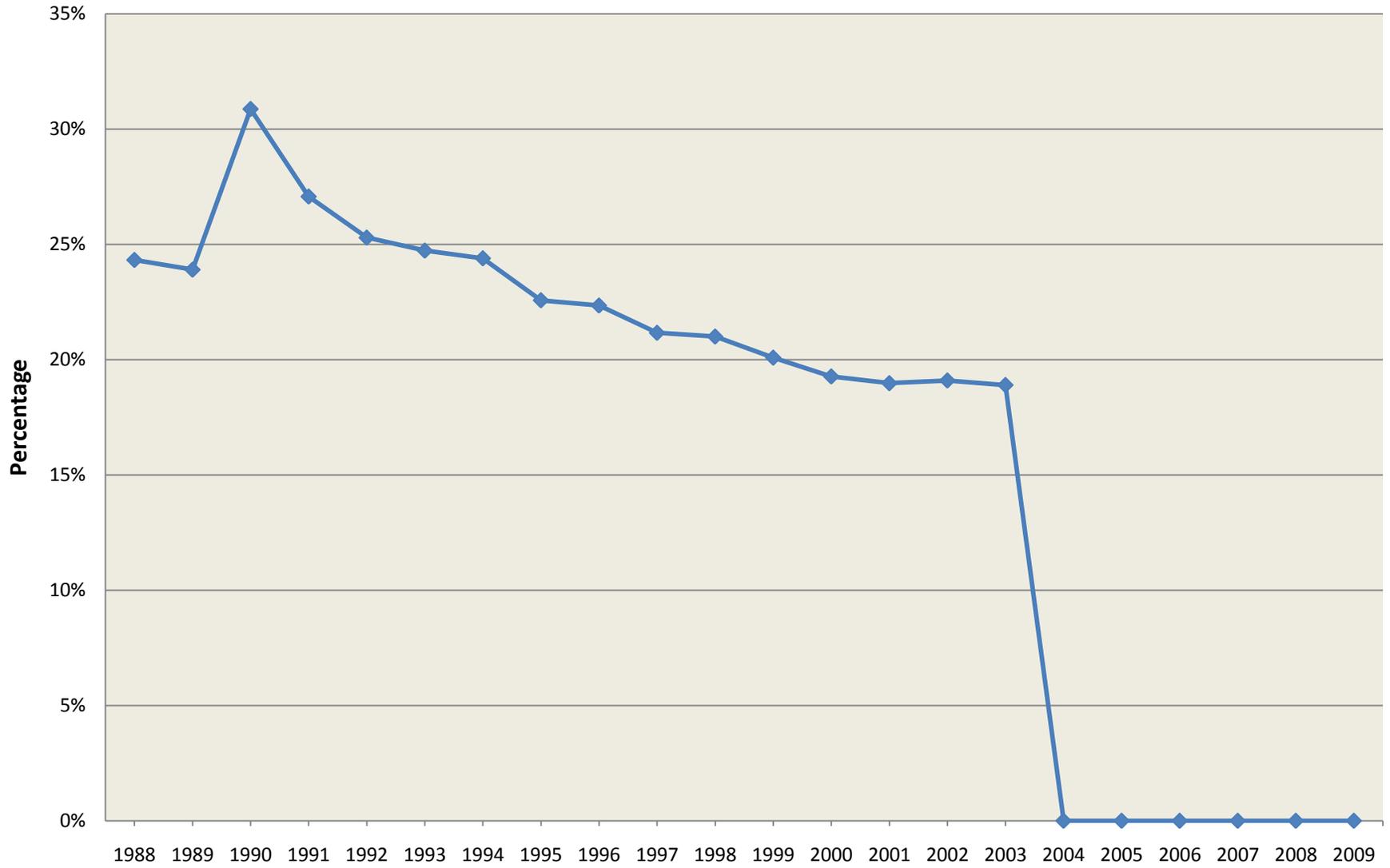
Line	Description	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
1	Unfunded actuarial accrued liability	\$459,998	\$475,323	\$646,515	\$636,439	\$657,054	\$656,279	\$674,909	\$662,896	\$679,866	\$695,521	\$710,489
2	Salaries and wages	\$1,891,092	\$1,988,648	\$2,094,153	\$2,350,546	\$2,597,737	\$2,653,833	\$2,766,328	\$2,936,266	\$3,042,086	\$3,286,222	\$3,382,730
3	Unfunded actuarial accrued liability as a percentage of salaries and wages	24%	24%	31%	27%	25%	25%	24%	23%	22%	21%	21%

Pension Obligation as Percentage of Salaries and Wages

Fiscal Year Data

Line	Description	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Unfunded actuarial accrued liability	\$725,436	\$739,169	\$752,614	\$762,316	\$773,559	\$0	\$0	\$0	\$0	\$0	\$0
2	Salaries and wages	\$3,611,398	\$3,835,515	\$3,965,356	\$3,991,957	\$4,092,876	\$4,177,560	\$4,308,997	\$4,473,391	\$4,589,258	\$4,947,970	\$4,994,502
3	Unfunded actuarial accrued liability as a percentage of salaries and wages	20%	19%	19%	19%	19%	0%	0%	0%	0%	0%	0%

Pension Obligation



Pension Obligations

Formula:
$$\frac{\text{Pension Obligations}}{\text{Salaries and Wages}}$$

Description: Pension plans can represent a significant expenditure obligation for local governments. Generally accepted accounting principles (GAAP) require that the cost of defined pension plans be accrued as an expense by employers in their financial statements as benefits are earned by employees, regardless of whether the employer actually funds these amounts.

Warning Trend: Increasing pension obligations as a percentage of salaries and wages

Whitewater Analysis: In a review by members of the Government Finance Officers Association, this indicator was judged important for local governments that manage their own pension funds but less important for those local governments that are part of a state-wide pension program. Whitewater is part of the State of Wisconsin Retirement System so pension fund management is not a function of the City.

The City paid off its unfunded pension liability to the State in 2004 which has reduced its annual retirement payments into the State Retirement Fund by approximately \$65,000. This was a prudent financial decision by the City as the City no longer has any accrued pension liability.

The unfunded pension liability to the State of Wisconsin was retired through an internal advance with the sewer equipment replacement fund. The City currently owes \$160,000 on this advance. The advance is scheduled to be retired in 2010.

Capital Outlay

Fiscal Year Data

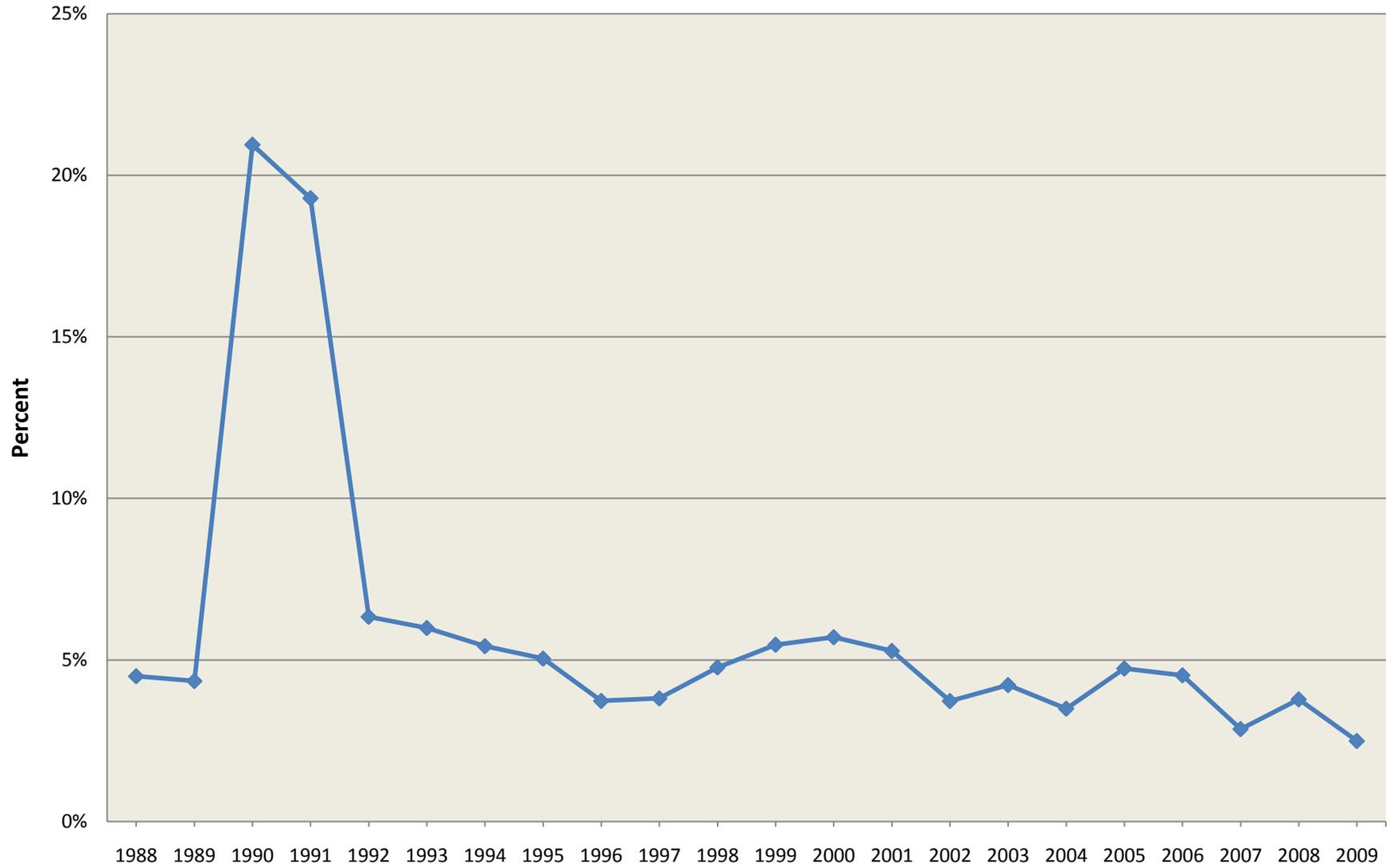
Line	Description	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
1	Capital outlay	\$156,498	\$165,764	\$1,071,052	\$1,064,812	\$311,455	\$303,749	\$259,551	\$258,104	\$195,274	\$211,606	\$284,433	\$327,371
2	Net operating expenditures	\$3,478,976	\$3,811,724	\$5,113,123	\$5,519,477	\$4,913,503	\$5,070,190	\$4,780,702	\$5,117,956	\$5,231,425	\$5,552,387	\$5,963,025	\$5,980,834
3	Capital outlay as a percentage of net operating expenditures	4%	4%	21%	19%	6%	6%	5%	5%	4%	4%	5%	5%

Capital Outlay

Fiscal Year Data

Line	Description			2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Capital outlay			\$334,813	\$325,931	\$247,693	\$291,132	\$240,185	\$342,442	\$357,710	\$212,252	\$302,318	\$203,291
2	Net operating expenditures			\$5,868,398	\$6,171,516	\$6,641,401	\$6,891,299	\$6,872,127	\$7,229,437	\$7,902,652	\$7,412,705	\$7,991,981	\$8,149,533
3	Capital outlay as a percentage of net operating expenditures			6%	5%	4%	4%	3%	5%	5%	3%	4%	2%

Capital Outlay



Capital Outlay

Formula:

$$\frac{\text{Capital Outlay from Operating Funds}}{\text{Net Operating Expenditures}}$$

Description: Expenditures for operating equipment-such as police squad cars and computer equipment-drawn from the operating budget are usually referred to as “capital outlay”. Capital outlay items normally include equipment that will last longer than one year and that have an initial cost above a significant initial amount, such as one thousand dollars. Capital outlay does not include capital budget expenditures for construction of infrastructure improvements such as streets, buildings or bridges.

The purpose of capital outlay in the operating budget is to replace worn equipment or to add new equipment. The ratio of capital outlay to net operating expenditures is a rough indicator of whether the stock of equipment is being adequately replaced. Over a number of years, the relationship between capital outlay and operating expenditures should remain about the same. If this ratio declines in the short run (one to three years), it may mean that the City’s needs are temporarily satisfied, since most equipment lasts more than a year. A decline persisting over three or more years can indicate that capital outlay needs are being deferred, which can result in the use of inefficient or obsolete equipment.

Warning Trend: A three or more year decline in capital outlay from operating funds as a percentage of net operating expenditures

Whitewater Analysis: The City of Whitewater has been very diligent in establishing vehicle and equipment replacement funds to replace and update its worn or obsolete equipment. As such, in recent years it has budgeted to place sufficient dollars in these funds for capital replacement based upon life-cycle cost considerations and depreciation schedules. This has evened out the annual appropriations needed to pay for these items, thus avoiding large budgetary variations that can occur when large or expensive vehicles or equipment (i.e. fire aerial trucks, sewer jet rodders, street sweepers, etc.).

Over a number of years, the relationship between capital outlay (not including capital budget expenditures for construction of infrastructure such as streets, buildings or bridges) and operating expenditures should remain about the same. This has been the case in Whitewater the last decade or so and this is a healthy trend as long as adequate funds are allocated to the vehicle and equipment funds on an annual basis.

Population

Fiscal Year Data

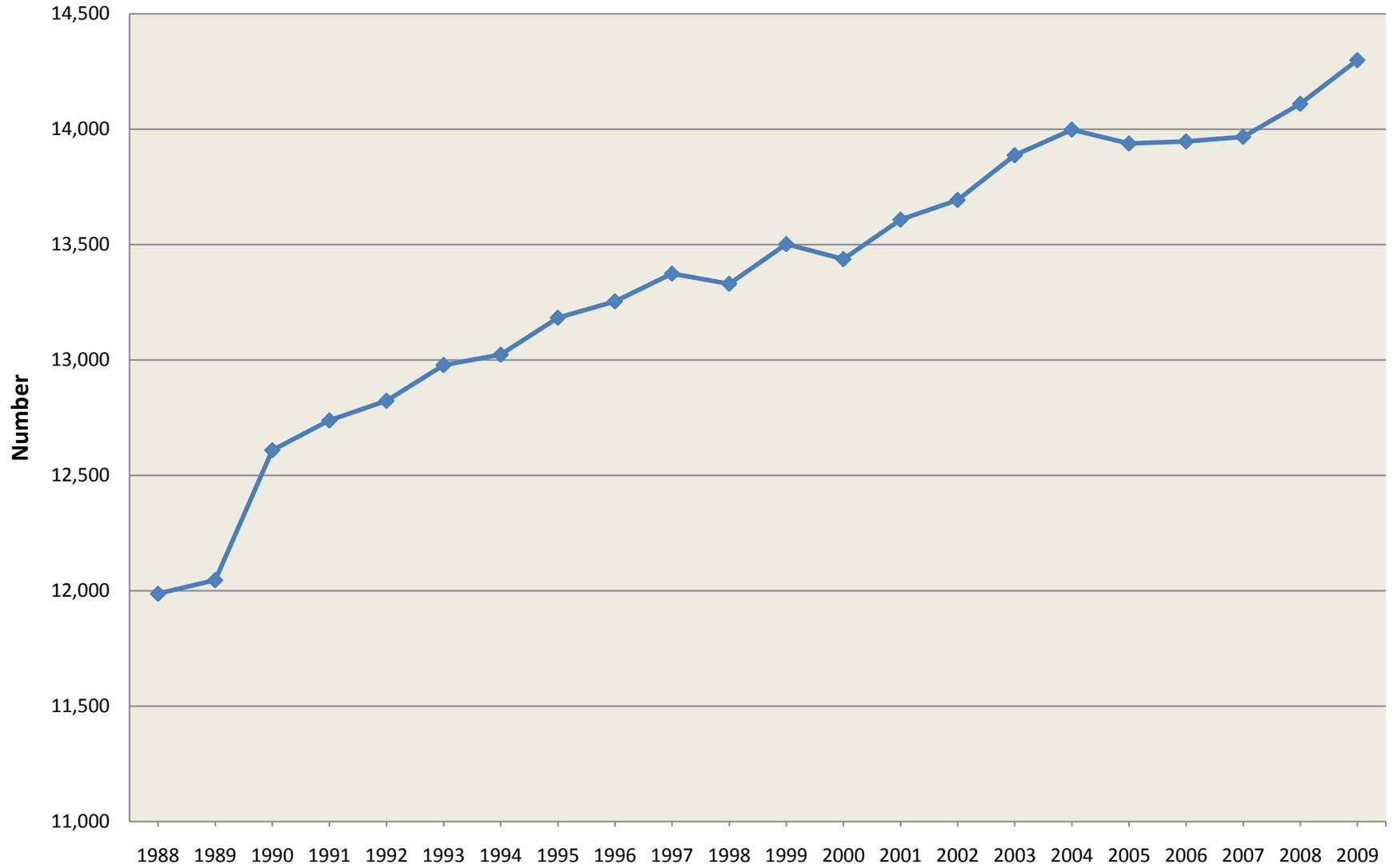
Line	Description	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
1	Population	11,987	12,046	12,609	12,738	12,823	12,978	13,023	13,183	13,254	13,374	13,330	13,502

Population

Fiscal Year Data

Line	Description			2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Population			13,437	13,608	13,693	13,887	13,998	13,938	13,947	13,967	14,110	14,299

Population



Arrests By Year

Fiscal Year Data

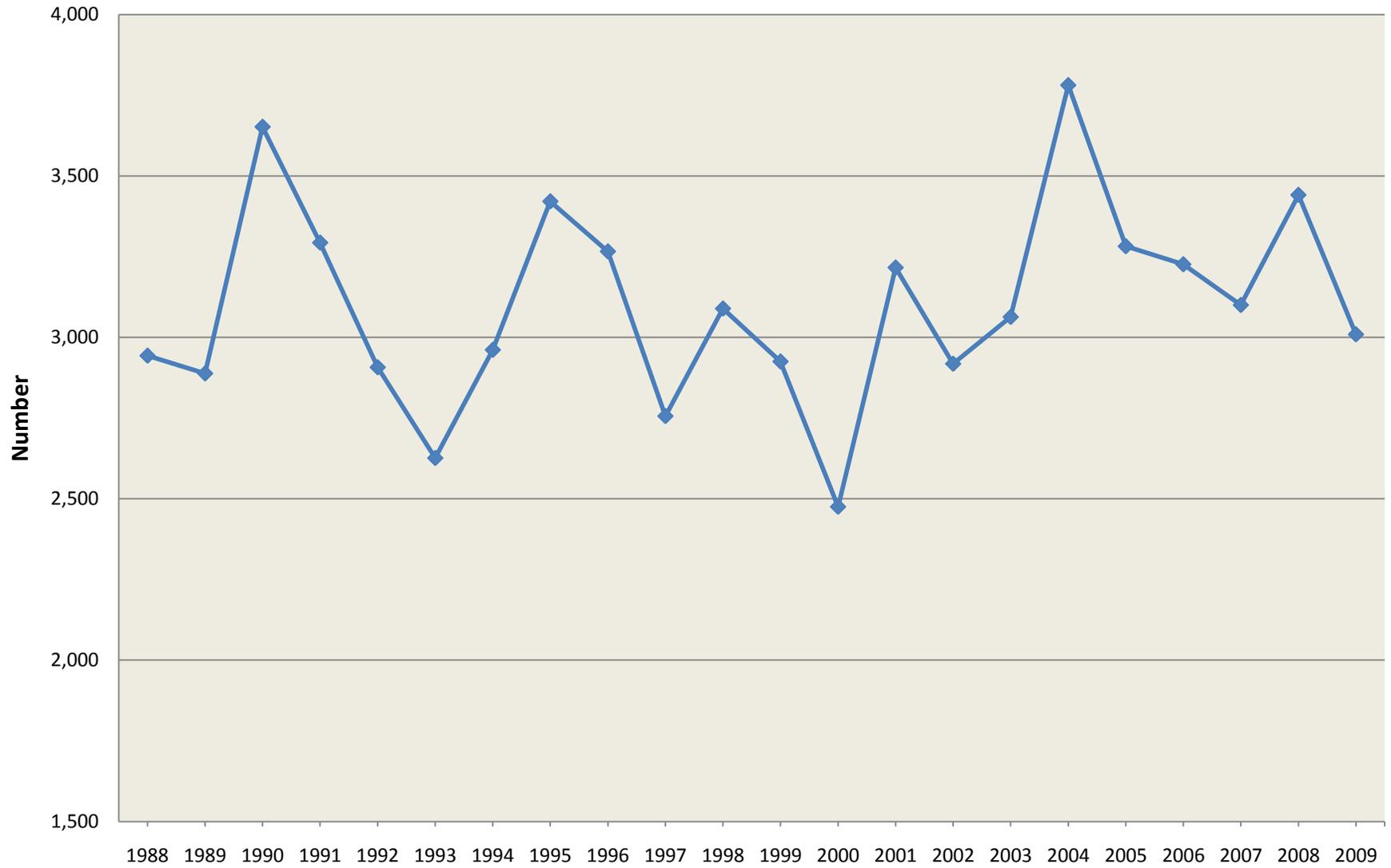
Line	Description	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
1	Crime rate	2,943	2,888	3,652	3,293	2,907	2,626	2,961	3,421	3,266	2,756	3,089

Arrests By Year

Fiscal Year Data

Line	Description	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Crime rate	2,925	2,475	3,216	2,918	3,063	3,781	3,282	3,226	3,100	3,441	3,009

Arrests By Year



Increase in Property Value

Fiscal Year Data

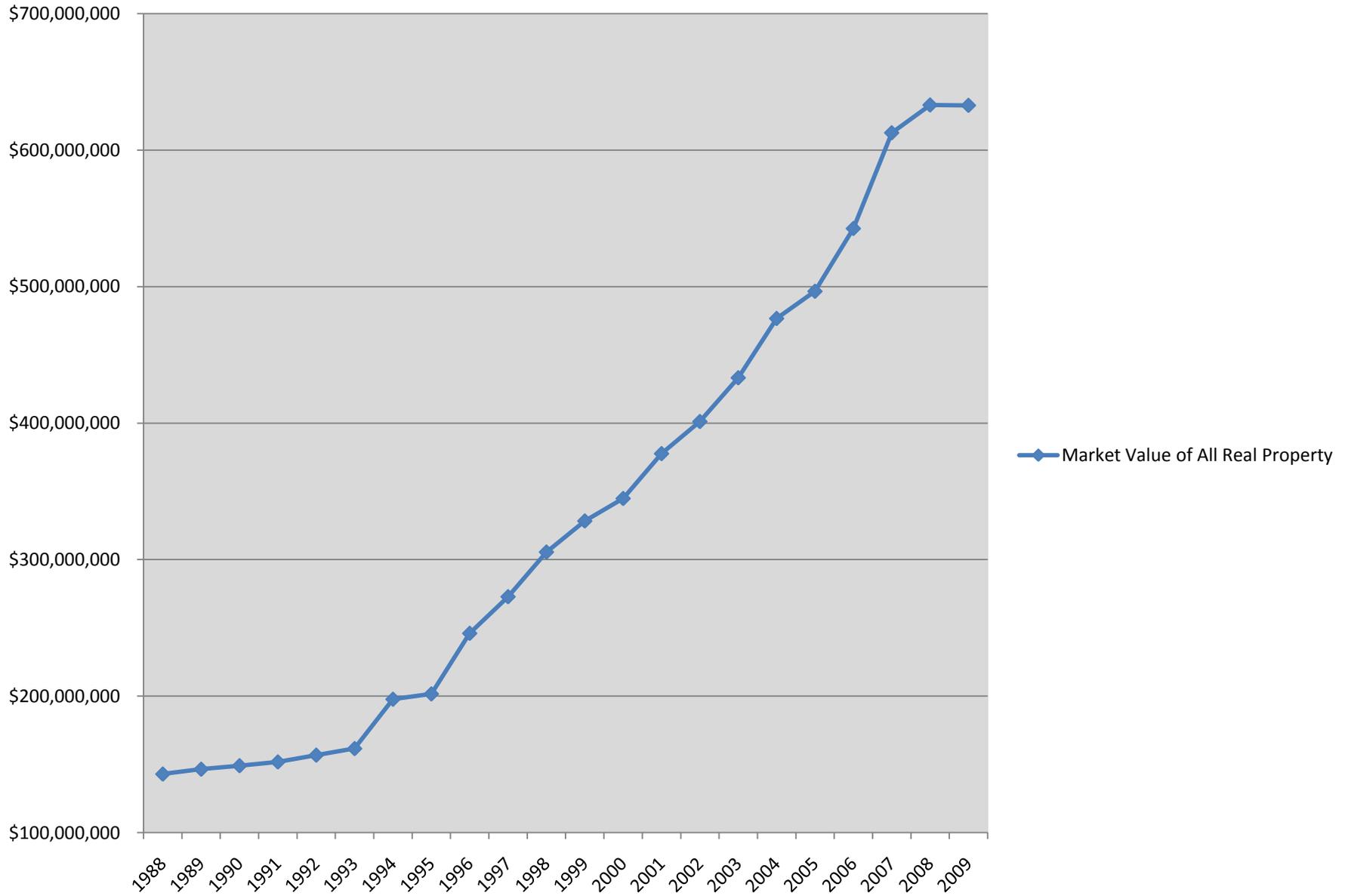
Line	Description	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
1	Market Value of property (residential, commercial, industrial)	\$142,962,144	\$146,524,047	\$ 149,089,000	\$151,849,260	\$156,823,900	\$161,623,700	\$197,772,500	\$201,668,300	\$246,044,100	\$272,846,900	\$305,564,616
2	Consumer price index (CPI) for the municipality's area	115.9	120.8	126.2	132.2	137.1	142.1	147	151	154.7	157.7	160.3
3	CPI in decimal	1.159	1.208	1.262	1.322	1.371	1.421	1.47	1.51	1.547	1.577	1.603
4	Property value (constant dollars)	\$123,349,563	\$121,294,741	\$118,137,084	\$114,863,283	\$114,386,506	\$113,739,409	\$134,539,116	\$133,555,166	\$159,045,960	\$173,016,424	\$190,620,472
5	Change in property value	\$1,365,144	\$3,561,903	\$2,564,953	\$2,760,260	\$4,974,640	\$4,799,800	\$36,148,800	\$3,895,800	\$44,375,800	\$26,802,800	\$32,717,716
6	Percentage change in property value	1.07%	2.89%	2.11%	2.34%	4.33%	4.20%	31.78%	2.90%	33.23%	16.85%	18.91%

Increase in Property Value

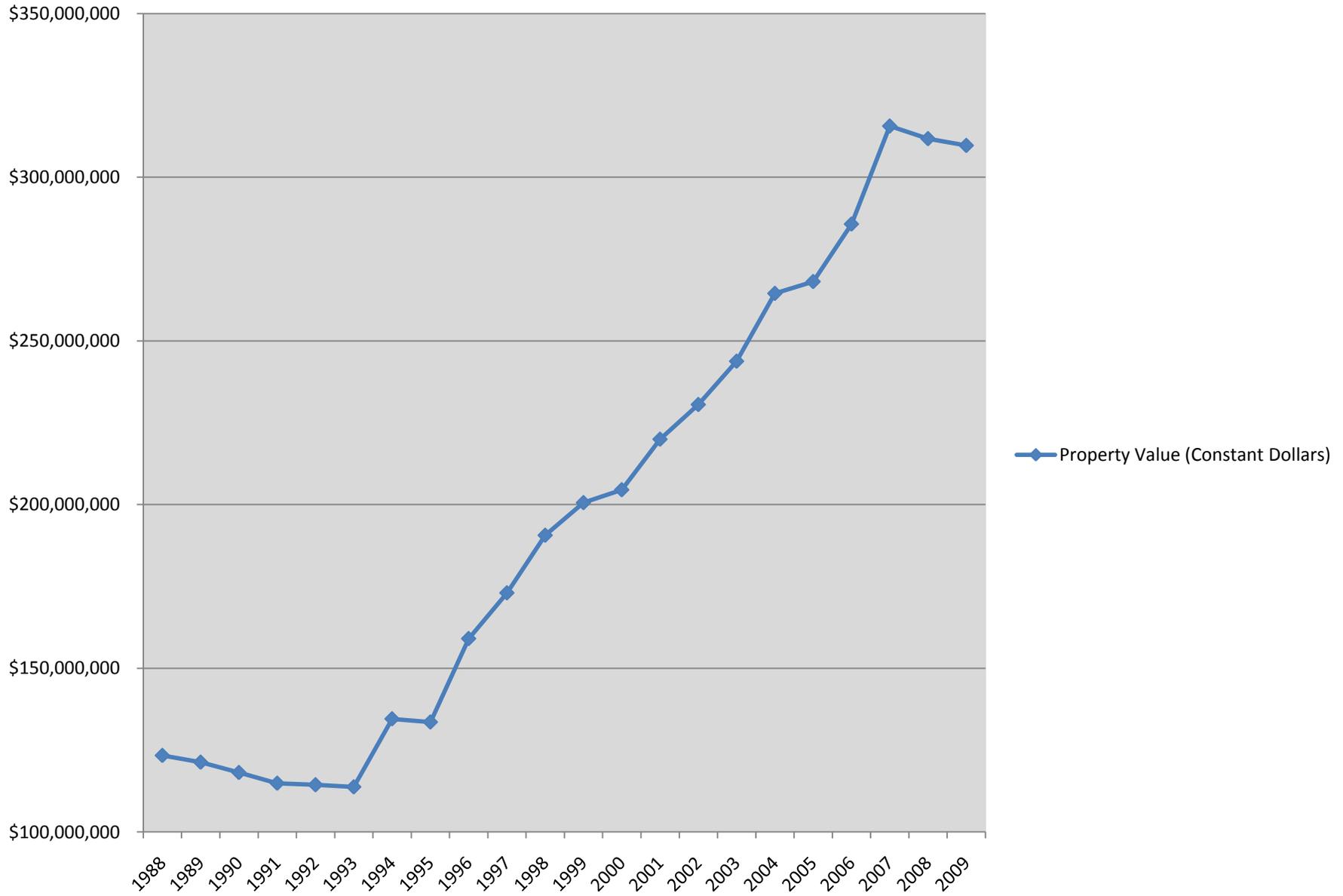
Fiscal Year Data

Line	Description	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1	Market Value of property (residential, commercial, industrial)	\$328,337,800	\$344,801,700	\$377,658,825	\$401,156,875	\$433,206,500	\$476,636,950	\$496,551,900	\$542,527,200	\$612,646,550	\$633,007,350	\$632,714,700
2	Consumer price index (CPI) for the municipality's area	163.7	168.6	171.7	174	177.7	180.2	185.2	189.9	194.102	203.029	204.3
3	CPI in decimal	1.637	1.686	1.717	1.74	1.777	1.802	1.852	1.899	1.94102	2.03029	2.043
4	Property value (constant dollars)	\$200,572,877	\$204,508,719	\$219,952,723	\$230,549,928	\$243,785,312	\$264,504,412	\$268,116,577	\$285,690,995	\$315,631,240	\$311,781,741	\$309,698,825
5	Change in property value	\$22,773,184	\$16,463,900	\$32,857,125	\$23,498,050	\$32,049,625	\$43,430,450	\$19,914,950	\$45,975,300	\$70,119,350	\$20,360,800	(\$292,650)
6	Percentage change in property value	11.95%	8.21%	16.07%	10.68%	13.90%	17.82%	7.53%	17.15%	24.54%	6.45%	-0.09%

Market Value of All Real Property



Property Value (Constant Dollars)





**City of Whitewater
Budget Projections 2011-2016**



Executive Summary

The following report provides a summary of the City of Whitewater's recent general fund budget history (2005 to 2010) as well as a five-year general fund budget projection (2011-2016). It's important to analyze recent City revenue and spending trends as well as to provide City budgetary forecasts so that municipal financial decisions are not done in a vacuum and the City's financial planning is performed with as much information as possible.

5 Year City Budget History Highlights

City General Fund Budget is actually slightly less in 2010 (\$9,318,019) than in 2005 (\$9,324,827).

Property tax levy for city services is 2% less in 2010 than in 2005 although levy for debt service is up 41.6% from \$288,240 to \$409,106...the latter is a bit of an aberration as the levy for debt service was as high as \$728,970 in 2002 and was at \$420,455 in 2006...the City has not issued any non-TID general obligation debt during the past five years.

Intergovernmental revenues continue to decrease with an almost \$200,000 annual drop in state shared revenues over the five year period. City spending for general government is down 3.6% over the last five years while spending for public safety (15.3%), public works (6.4%) culture/recreation/education (13.6%) and fund transfers (8.1%) showed increases.

Almost half of the city's expenditures go for public safety services in 2010 (47%), up from 45 % of total spending in 2005...general government accounts for 11% of total spending in 2010, down from 13% in 2005.

5 Year City Budget Projection Highlights

Intergovernmental revenues, which represent almost half of the annual general fund revenues, are expected to remain flat for the next five year period.

Expenditures are expected to rise over the five years particularly due to increases in negotiated employee wages, employee health insurance premiums, utilities and contractual service costs.

Even with a projected 2% annual increase in the property tax levy to support general city services, there will not be sufficient city revenues to pay for projected city service costs (assuming that current service levels are maintained) with annual deficits ranging from \$206,922 in 2011 up to \$1,108,497 in 2016...these projected deficits will increase based upon any additional general obligation debt that the City might issue during this period.

The general fund will be paying off a debt to the sewer utility (for accrued payroll liability to State of Wisconsin Retirement System) in 2010 that will result in an decrease of \$82,400 in annual debt service

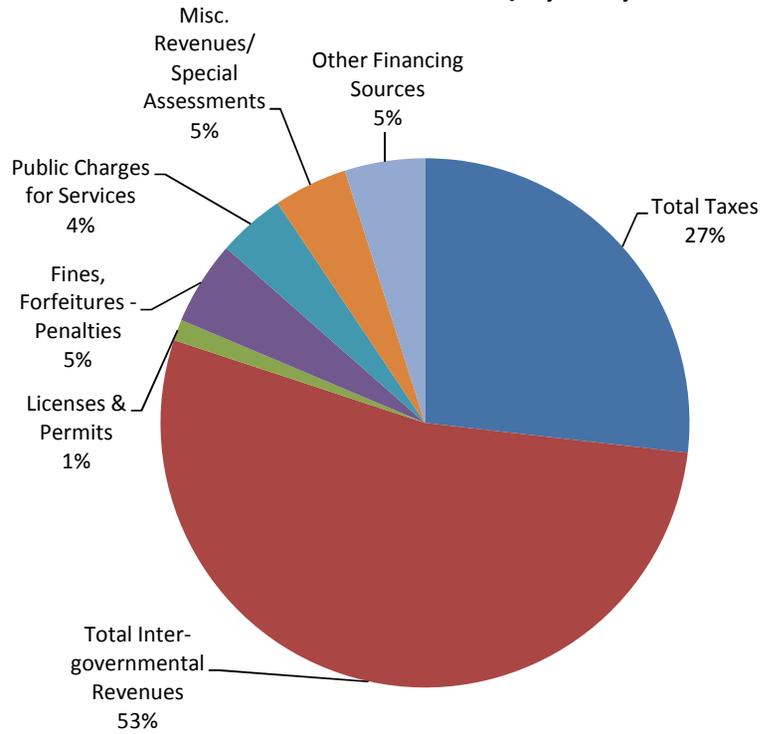
There will be a need to increase property tax levies and municipal fees and charges as well as cut municipal spending in order to balance future City budgets making it very difficult to maintain current levels of city services.

City Budget History
Revenues 2005-2010

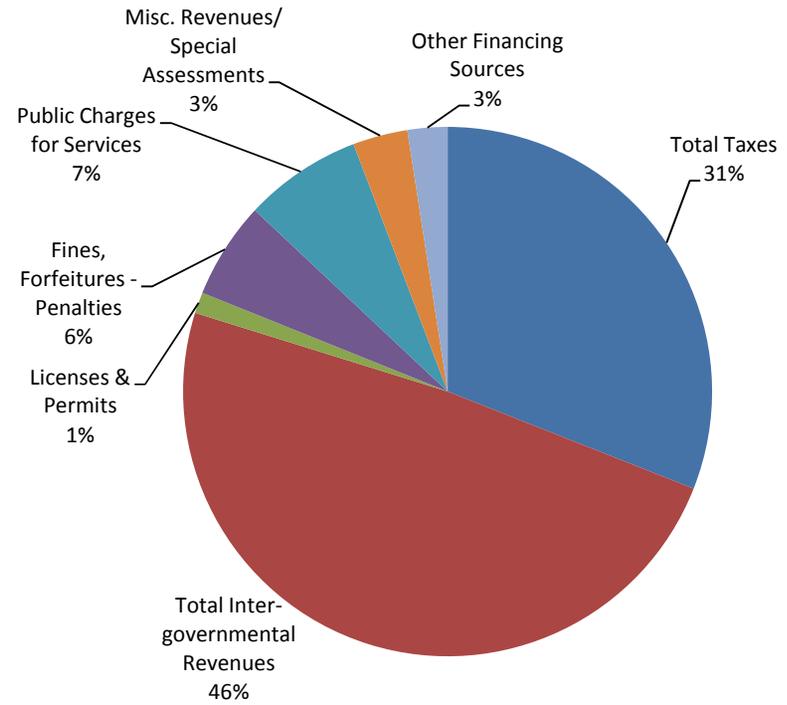
Description	Year						% Change	Annual Increase
	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Budget 2010		
Taxes								
Property Tax Levy	\$1,987,804	\$2,070,954	\$2,157,783	\$2,257,675	\$2,315,169	\$2,343,666	17.9%	3.4%
Debt Service	\$ 288,240	\$ 420,445	\$ 444,353	\$ 430,134	\$ 439,446	\$ 409,106	41.9%	8.7%
Special Assessments	\$ 30,123	\$ 39,329	\$ 110,962	\$ 53,593	\$ 34,453	\$ 43,600	44.7%	30.4%
Other Taxes	\$ 85,112	\$ 92,328	\$ 88,142	\$ 97,957	\$ 88,082	\$ 90,600	6.4%	1.6%
Total Taxes	\$2,391,279	\$2,623,056	\$2,801,240	\$2,839,359	\$2,877,150	\$2,886,972	20.7%	3.9%
Intergovernmental Revenues								
State Shared Revenues	\$3,737,130	\$3,707,524	\$3,677,673	\$3,648,606	\$3,620,584	\$3,539,561	-5.3%	-1.1%
State Transportation Aids	\$ 591,775	\$ 567,063	\$ 472,494	\$ 450,435	\$ 508,967	\$ 550,198	-7.0%	-0.9%
Payments for University Services	\$ 293,285	\$ 390,536	\$ 334,331	\$ 345,938	\$ 307,747	\$ 320,860	9.4%	3.1%
Other Intergovernmental Revenues	\$ 129,214	\$ 117,009	\$ 136,430	\$ 258,335	\$ 140,499	\$ 137,891	6.7%	9.8%
Total Intergovernmental Revenues	\$4,751,404	\$4,782,132	\$4,620,928	\$4,703,314	\$4,577,797	\$4,548,510	-4.3%	-0.8%
Licenses & Permits	\$ 114,913	\$ 159,152	\$ 118,033	\$ 120,548	\$ 95,988	\$ 120,500	4.9%	4.0%
Fines, Forfeitures - Penalties	\$ 457,356	\$ 420,901	\$ 491,797	\$ 427,868	\$ 429,262	\$ 550,400	20.3%	4.9%
Public Charges for Services	\$ 367,329	\$ 465,118	\$ 446,937	\$ 551,126	\$ 545,512	\$ 671,675	82.9%	13.6%
Misc. Revenues/Special Assessments	\$ 401,935	\$ 442,883	\$ 415,254	\$ 465,833	\$ 309,653	\$ 311,962	-22.4%	-3.3%
Other Financing Sources	\$ 437,136	\$ 137,166	\$ 127,453	\$ 137,004	\$ 133,370	\$ 228,000	-47.8%	0.0%
Totals	\$8,921,352	\$9,030,408	\$9,021,642	\$9,245,052	\$8,968,732	\$9,318,019	4.4%	0.9%

** Percent change when adjusted for inflation.

2005 Actual Revenues \$8,921,352



2010 Budgeted Revenues \$9,318,019



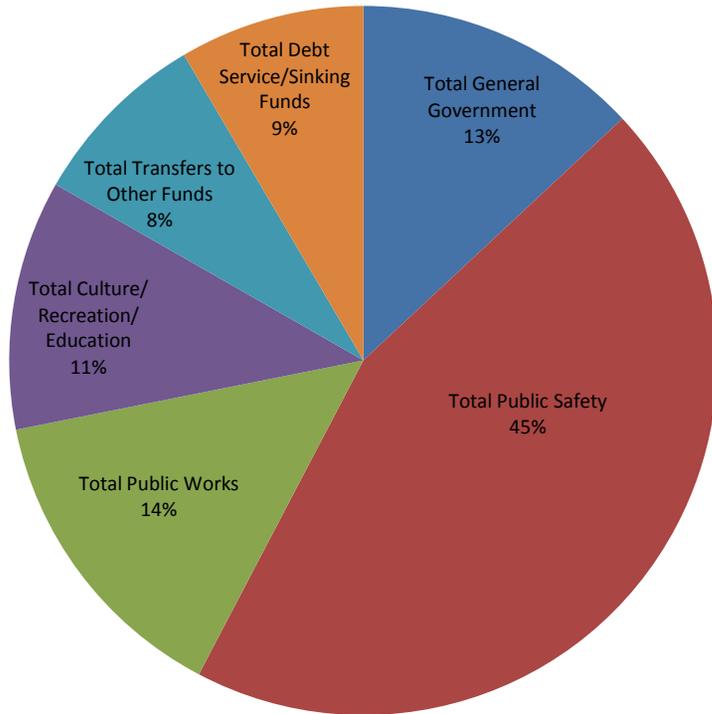
City Budget History
Expenditures 2005-2010
Year

Description	Year						% Change	Annual Increase
	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Budget 2010		
General Government								
Legislative Support	\$ 95,837	\$ 114,029	\$ 129,111	\$ 129,750	\$ 134,383	\$ 119,822	25.0%	5.1%
Court	\$ 90,038	\$ 82,384	\$ 80,331	\$ 84,230	\$ 95,219	\$ 90,983	1.0%	0.5%
Legal	\$ 95,006	\$ 87,591	\$ 62,159	\$ 80,393	\$ 77,294	\$ 67,995	-28.4%	-4.7%
General Administration	\$ 375,427	\$ 378,781	\$ 297,145	\$ 376,004	\$ 366,218	\$ 342,299	-8.8%	-0.7%
Information Technology	\$ 130,672	\$ 142,757	\$ 111,079	\$ 170,233	\$ 170,466	\$ 136,405	4.4%	4.1%
Financial Administration	\$ 217,152	\$ 321,368	\$ 200,158	\$ 202,134	\$ 190,429	\$ 196,324	-9.6%	1.7%
Insurance/Risk Mgt.	\$ 108,311	\$ 102,831	\$ 110,414	\$ 109,480	\$ 112,311	\$ 118,500	9.4%	1.9%
Total General Government	\$ 1,112,443	\$ 1,229,741	\$ 990,397	\$ 1,152,224	\$ 1,146,320	\$ 1,072,328	-3.6%	0.1%
Public Safety								
General Buildings & Plant	\$ 643,267	\$ 482,486	\$ 444,170	\$ 572,796	\$ 501,403	\$ 471,849	-26.6%	-4.5%
Police Administration	\$ 516,632	\$ 546,076	\$ 586,448	\$ 594,662	\$ 596,321	\$ 613,024	18.7%	3.5%
Police Patrol	\$ 1,334,386	\$ 1,388,295	\$ 1,421,489	\$ 1,585,429	\$ 1,506,269	\$ 1,659,205	24.3%	4.6%
Police Investigation	\$ 339,647	\$ 329,259	\$ 305,561	\$ 388,062	\$ 372,112	\$ 410,652	20.9%	4.6%
Crossing Guards	\$ 38,329	\$ 32,888	\$ 35,205	\$ 34,156	\$ 36,540	\$ 39,123	2.1%	0.8%
Comm Service Program	\$ 44,524	\$ 43,022	\$ 52,457	\$ 43,216	\$ 47,970	\$ 66,242	48.8%	10.0%
Fire Department	\$ 158,728	\$ 130,789	\$ 144,514	\$ 171,179	\$ 154,635	\$ 158,844	0.1%	0.9%
Crash Crew	\$ 26,897	\$ 22,872	\$ 20,189	\$ 21,000	\$ 21,436	\$ 21,076	-21.6%	-4.5%
Rescue Service (Amb.)	\$ 260,382	\$ 239,344	\$ 276,202	\$ 331,806	\$ 324,217	\$ 328,442	26.1%	5.3%
Building Inspection	\$ 114,140	\$ 116,062	\$ 138,926	\$ 155,543	\$ 163,733	\$ 161,200	41.2%	7.4%
Emergency Preparedness	\$ 9,691	\$ 12,283	\$ 12,715	\$ 13,320	\$ 6,511	\$ 11,080	14.3%	10.8%
Communications/Dispatch	\$ 316,651	\$ 346,488	\$ 351,730	\$ 425,329	\$ 404,442	\$ 443,097	39.9%	7.3%
Total Public Safety	\$ 3,803,274	\$ 3,689,864	\$ 3,789,606	\$ 4,336,498	\$ 4,145,589	\$ 4,383,834	15.3%	3.1%
Public Works								
Public Works/Administration	\$ 73,708	\$ 77,311	\$ 65,094	\$ 63,676	\$ 61,206	\$ 50,672	-31.3%	-6.8%
Shop/Fleet Operations	\$ 117,856	\$ 137,485	\$ 126,139	\$ 137,176	\$ 145,746	\$ 138,638	17.6%	3.7%
Parks Maintenance	\$ 205,536	\$ 232,122	\$ 238,029	\$ 273,058	\$ 280,756	\$ 287,614	39.9%	7.1%
Street Maintenance	\$ 442,369	\$ 607,455	\$ 415,710	\$ 390,275	\$ 402,589	\$ 428,950	-3.0%	1.9%
Street Cleaning	\$ 21,875	\$ 21,246	\$ 25,068	-	\$ -	\$ -	-	-
Snow & Ice	\$ 116,158	\$ 96,610	\$ 179,662	\$ 258,714	\$ 155,490	\$ 138,324	19.1%	12.4%
Street Lights	\$ 177,856	\$ 206,291	\$ 163,193	\$ 209,654	\$ 231,462	\$ 207,341	16.6%	4.7%
Sidewalks	\$ 53,174	\$ 38,448	\$ 29,420	\$ 50,024	\$ 36,479	\$ 34,405	-35.3%	-2.8%
Total Public Works	\$ 1,208,532	\$ 1,416,968	\$ 1,242,315	\$ 1,382,577	\$ 1,313,728	\$ 1,285,944	6.4%	1.8%

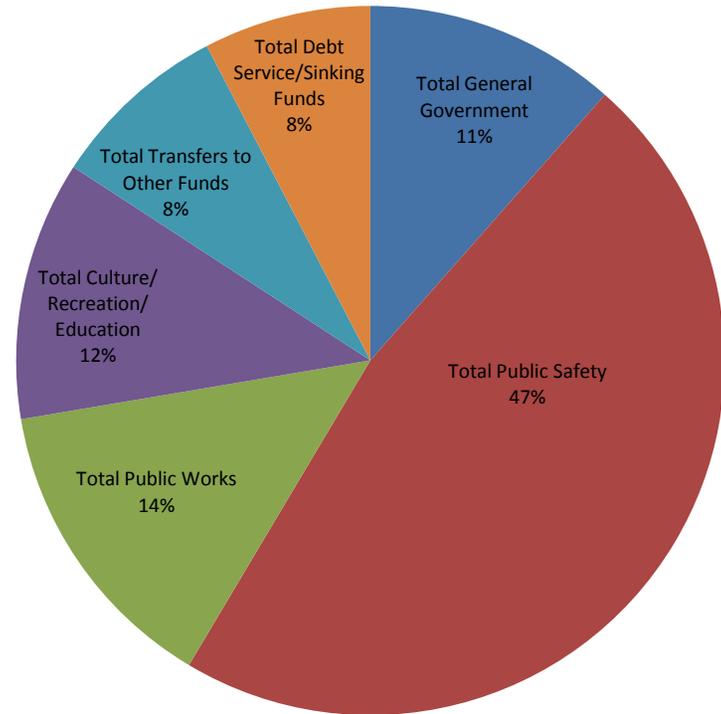
City Budget History
Expenditures 2005-2010
Year

Description	Year						% Change	Annual Increase
	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Budget 2010		
Culture/Recreation/Education								
Library Services	\$ 424,850	\$ 454,743	\$ 415,280	\$ 480,743	\$ 464,378	\$ 487,214	14.7%	3.1%
Young Library Building	\$ 94,609	\$ 118,777	\$ 162,298	\$ 96,788	\$ 116,175	\$ 92,787	-1.9%	4.3%
Parks Administration	\$ 51,386	\$ 57,169	\$ 41,622	\$ 34,924	\$ 32,244	\$ 44,198	-14.0%	-0.5%
Recreation Administration	\$ 107,873	\$ 109,434	\$ 132,082	\$ 121,295	\$ 116,313	\$ 128,255	18.9%	4.0%
Recreation Programs	\$ 33,792	\$ 35,255	\$ 40,504	\$ 55,098	\$ 77,940	\$ 89,580	165.1%	22.3%
Senior Citizen's Program	\$ 54,392	\$ 57,219	\$ 58,391	\$ 56,968	\$ 59,391	\$ 61,730	13.5%	2.6%
Celebrations	\$ 17,378	\$ 16,904	\$ 17,823	\$ 16,596	\$ 12,798	\$ 10,200	-41.3%	-9.5%
Comm. Based-Coop Projects	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	0.0%	0.0%
Planning	\$ 110,963	\$ 146,200	\$ 206,103	\$ 142,922	\$ 177,946	\$ 112,787	1.6%	6.0%
Total Culture/Recreation/Education	\$ 970,243	\$ 1,070,701	\$ 1,149,103	\$ 1,080,334	\$ 1,132,185	\$ 1,101,751	13.6%	2.8%
Transfers to Other Funds								
Solid Waste Recycling	\$ 306,911	\$ 318,844	\$ 318,844	\$ 298,040	\$ 248,040	\$ 200,000	-34.8%	-7.8%
DPW Equip Revolving	\$ 95,000	\$ 95,000	\$ 95,000	\$ 76,000	\$ 76,000	\$ 50,000	-47.4%	-10.8%
Fire Equip Revolving	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 101,000	26.3%	5.3%
Police Vehicle Revolving	\$ 32,000	\$ 32,000	\$ 32,000	\$ 32,000	\$ -	\$ 25,000	-21.9%	0.0%
CDA Grant Transfer	\$ 89,966	\$ 69,347	\$ 64,078	\$ 59,357	\$ 70,932	\$ 70,118	-22.1%	-3.9%
Taxi/Payroll/Sick Leave	\$ 75,365	\$ 86,881	\$ 84,603	\$ 81,053	\$ 53,316	\$ 38,144	-49.4%	-10.8%
Government Equip. Fund	\$ 26,109	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
Skate Park/Park Land Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
Street Repair	\$ -	\$ -	\$ -	\$ 185,000	\$ 185,000	\$ 185,000	0.0%	0.0%
Contingencies	\$ -	\$ -	\$ -	\$ -	\$ 12,122	\$ 93,215	0.0%	0.0%
Total Transfers to Other Funds	\$ 705,351	\$ 682,072	\$ 674,525	\$ 811,450	\$ 725,410	\$ 762,477	8.1%	2.1%
Debt Service/Sinking Funds								
Transfer to Debt Service Fund	\$ 288,240	\$ 420,445	\$ 444,353	\$ 430,134	\$ 439,446	\$ 409,106	41.9%	8.7%
Transfers to Special Funds	\$ 413,616	\$ 336,848	\$ 363,550	\$ 232,450	\$ 141,349	\$ 220,179	-46.8%	-6.0%
Transfer to Utility Funds	\$ 19,020	\$ 12,000	\$ 9,600	\$ 7,200	\$ 4,800	\$ 82,400	333.2%	300.3%
Total Debt Service/Sinking Funds	\$ 720,876	\$ 769,293	\$ 817,503	\$ 669,784	\$ 585,595	\$ 711,685	-1.3%	0.8%
Totals	\$ 8,520,719	\$ 8,858,639	\$ 8,663,449	\$ 9,432,867	\$ 9,048,827	\$ 9,318,019	9.4%	1.9%

2005 Actual Expenditures \$8,520,719



2010 Budgeted Expenditures \$9,318,019



City Budget Projections 2011-2016

Revenues

Description	Year							% Change	Annual Change
	2010 Base	2011	2012	2013	2014	2015	2016		
Taxes									
Property Tax Levy	\$2,343,666	\$2,390,539	\$2,438,350	\$2,487,117	\$2,536,859	\$2,587,597	\$2,639,349	13%	2%
Debt Service **	\$409,106	\$447,881	\$432,494	\$415,866	\$398,608	\$350,675	\$175,031	-57%	-11%
Special Assessments	\$43,600	\$44,472	\$45,361	\$46,269	\$47,194	\$48,138	\$49,101	13%	2%
Other Taxes	\$90,600	\$92,412	\$94,260	\$96,145	\$98,068	\$100,030	\$102,030	13%	2%
Total Property Taxes	\$2,886,972	\$2,975,304	\$3,010,466	\$3,045,397	\$3,080,730	\$3,086,439	\$2,965,511	3%	-5%
Intergovernmental Revenues									
State Shared Revenues	\$3,539,561	\$3,539,561	\$3,539,561	\$3,539,561	\$3,539,561	\$3,539,561	\$3,539,561	0%	0%
State Transportation Aids	\$550,198	\$561,202	\$572,426	\$583,875	\$595,552	\$607,463	\$619,612	13%	2%
Payments for University Services	\$320,860	\$330,486	\$340,400	\$350,612	\$361,131	\$371,965	\$383,124	19%	3%
Other Intergovernmental Revenues	\$137,891	\$139,270	\$140,663	\$142,069	\$143,490	\$144,925	\$146,374	6%	1%
Total Intergovernmental Revenues	\$4,548,510	\$4,570,519	\$4,593,050	\$4,616,117	\$4,639,734	\$4,663,914	\$4,688,671	3%	6%
Licenses & Permits	\$120,500	\$121,705	\$122,922	\$124,151	\$125,393	\$126,647	\$127,913	6%	1%
Fines, Forfeitures - Penalties	\$550,400	\$561,408	\$572,636	\$584,089	\$595,771	\$607,686	\$619,840	13%	2%
Public Charges for Services	\$671,675	\$685,109	\$698,811	\$712,787	\$727,043	\$741,583	\$756,415	13%	2%
Misc. Revenues/Special Assessments	\$311,962	\$311,962	\$311,962	\$311,962	\$311,962	\$311,962	\$311,962	0%	0%
Other Financing Sources	\$228,000	\$228,000	\$228,000	\$228,000	\$228,000	\$228,000	\$228,000	0%	0%
Totals	\$9,318,019	\$9,454,006	\$9,537,847	\$9,622,503	\$9,708,632	\$9,766,231	\$9,698,312	4%	6%

** Actual Amounts, not estimates. Amount is subject to change if funds are borrowed.

- Assumptions :**
- 1) Special Assessments will be levied on all street improvement projects that include new curb/gutter/sidewalks.
 - 2) Shared Revenue payments will remain constant from 2010 through 2016.
 - 3) State Transportation Aid will increase 2% annually.
 - 4) Other Intergovernmental Revenues will increase 3% annually.
 - 5) Licenses/Permits, Fines/Foreitures/Penalties, Public Charges for Services will increase 1-2% per year, Misc. Revenues/Special Assessments and other Financing Sources will remain at the 2010 budgetted levels.

City Budget Projections 2011-2016
Expenditures

Description	2010 Base	Year						% Change	Annual Change
		2011	2012	2013	2014	2015	2016		
General Government									
Legislative Support	\$ 119,822	\$ 122,818	\$ 125,888	\$ 129,035	\$ 132,261	\$ 135,568	\$ 138,957	16.0%	2.5%
Court	\$ 90,983	\$ 93,258	\$ 95,589	\$ 97,979	\$ 100,428	\$ 102,939	\$ 105,512	16.0%	2.5%
Legal	\$ 67,995	\$ 70,035	\$ 72,136	\$ 74,300	\$ 76,529	\$ 78,825	\$ 81,190	19.4%	3.0%
General Administration	\$ 342,299	\$ 354,279	\$ 366,679	\$ 379,513	\$ 392,796	\$ 406,544	\$ 420,773	22.9%	3.5%
Information Technology	\$ 136,405	\$ 141,179	\$ 146,120	\$ 151,235	\$ 156,528	\$ 162,006	\$ 167,677	22.9%	3.5%
Financial Administration	\$ 196,324	\$ 203,195	\$ 210,307	\$ 217,668	\$ 225,286	\$ 233,171	\$ 241,332	22.9%	3.5%
Insurance/Risk Mgt.	\$ 118,500	\$ 120,870	\$ 123,287	\$ 125,753	\$ 128,268	\$ 130,834	\$ 133,450	12.6%	2.0%
Total General Government	\$ 1,072,328	\$ 1,105,634	\$ 1,140,007	\$ 1,175,483	\$ 1,212,097	\$ 1,249,886	\$ 1,288,891	16.6%	20.5%
Public Safety									
General Buildings & Plant	\$ 471,849	\$ 483,645	\$ 495,736	\$ 508,130	\$ 520,833	\$ 533,854	\$ 547,200	16.0%	2.5%
Police Administration	\$ 613,024	\$ 634,480	\$ 656,687	\$ 679,671	\$ 703,459	\$ 728,080	\$ 753,563	22.9%	3.5%
Police Patrol	\$ 1,659,205	\$ 1,717,277	\$ 1,777,382	\$ 1,839,590	\$ 1,903,976	\$ 1,970,615	\$ 2,039,587	22.9%	3.5%
Police Investigation	\$ 410,652	\$ 425,025	\$ 439,901	\$ 455,297	\$ 471,233	\$ 487,726	\$ 504,796	22.9%	3.5%
Crossing Guards	\$ 39,123	\$ 39,905	\$ 40,704	\$ 41,518	\$ 42,348	\$ 43,195	\$ 44,059	12.6%	2.0%
Comm Service Program	\$ 66,242	\$ 67,567	\$ 68,918	\$ 70,297	\$ 71,702	\$ 73,137	\$ 74,599	12.6%	2.0%
Fire Department	\$ 158,844	\$ 162,021	\$ 165,261	\$ 168,567	\$ 171,938	\$ 175,377	\$ 178,884	12.6%	2.0%
Crash Crew	\$ 21,076	\$ 21,498	\$ 21,927	\$ 22,366	\$ 22,813	\$ 23,270	\$ 23,735	12.6%	2.0%
Rescue Service (Amb.)	\$ 328,442	\$ 338,295	\$ 348,444	\$ 358,897	\$ 369,664	\$ 380,754	\$ 392,177	19.4%	3.0%
Building Inspection	\$ 161,200	\$ 166,036	\$ 171,017	\$ 176,148	\$ 181,432	\$ 186,875	\$ 192,481	19.4%	3.0%
Emergency Preparedness	\$ 11,080	\$ 11,302	\$ 11,528	\$ 11,758	\$ 11,993	\$ 12,233	\$ 12,478	12.6%	2.0%
Communications/Dispatch	\$ 443,097	\$ 458,605	\$ 474,657	\$ 491,270	\$ 508,464	\$ 526,260	\$ 544,679	22.9%	3.5%
Total Public Safety	\$ 4,383,834	\$ 4,525,656	\$ 4,672,161	\$ 4,823,507	\$ 4,979,856	\$ 5,141,375	\$ 5,308,239	21.1%	4.2%
Public Works									
Public Works/Administration	\$ 50,672	\$ 52,446	\$ 54,281	\$ 56,181	\$ 58,147	\$ 60,182	\$ 62,289	22.9%	3.5%
Shop/Fleet Operations	\$ 138,638	\$ 143,490	\$ 148,512	\$ 153,710	\$ 159,090	\$ 164,658	\$ 170,421	22.9%	3.5%
Parks Maintenance	\$ 287,614	\$ 297,680	\$ 308,099	\$ 318,883	\$ 330,044	\$ 341,595	\$ 353,551	22.9%	3.5%
Street Maintenance	\$ 428,950	\$ 443,963	\$ 459,502	\$ 475,585	\$ 492,230	\$ 509,458	\$ 527,289	22.9%	3.5%
Street Cleaning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
Snow & Ice	\$ 138,324	\$ 143,165	\$ 148,176	\$ 153,362	\$ 158,730	\$ 164,286	\$ 170,036	22.9%	3.5%
Street Lights	\$ 207,341	\$ 212,525	\$ 217,838	\$ 223,284	\$ 228,866	\$ 234,587	\$ 240,452	16.0%	2.5%
Sidewalks	\$ 34,405	\$ 35,093	\$ 35,795	\$ 36,511	\$ 37,241	\$ 37,986	\$ 38,746	12.6%	2.0%
Total Public Works	\$ 1,285,944	\$ 1,328,363	\$ 1,372,204	\$ 1,417,515	\$ 1,464,348	\$ 1,512,753	\$ 1,562,784	21.5%	4.3%

City Budget Projections 2011-2016
Expenditures

Description	2010 Base	Year						% Change	Annual Change
		2011	2012	2013	2014	2015	2016		
Culture/Recreation/Education									
Library Services	\$ 487,214	\$ 504,266	\$ 521,916	\$ 540,183	\$ 559,089	\$ 578,657	\$ 598,910	22.9%	3.5%
Young Library Building	\$ 92,787	\$ 94,643	\$ 96,536	\$ 98,466	\$ 100,436	\$ 102,444	\$ 104,493	12.6%	2.0%
Parks Administration	\$ 44,198	\$ 45,745	\$ 47,346	\$ 49,003	\$ 50,718	\$ 52,493	\$ 54,331	22.9%	3.5%
Recreation Administration	\$ 128,255	\$ 132,744	\$ 137,390	\$ 142,199	\$ 147,176	\$ 152,327	\$ 157,658	22.9%	3.5%
Recreation Programs	\$ 89,580	\$ 91,372	\$ 93,199	\$ 95,063	\$ 96,964	\$ 98,904	\$ 100,882	12.6%	2.0%
Senior Citizen's Program	\$ 61,730	\$ 62,965	\$ 64,224	\$ 65,508	\$ 66,819	\$ 68,155	\$ 69,518	12.6%	2.0%
Celebrations	\$ 10,200	\$ 10,200	\$ 10,200	\$ 10,200	\$ 10,200	\$ 10,200	\$ 10,200	0.0%	0.0%
Comm. Based-Coop Projects	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	0.0%	0.0%
Con. Dev. Planning	\$ 112,787	\$ 115,043	\$ 117,344	\$ 119,690	\$ 122,084	\$ 124,526	\$ 127,016	12.6%	2.0%
Total Culture/ Recreation/Education	\$ 1,101,751	\$ 1,131,977	\$ 1,163,154	\$ 1,195,313	\$ 1,228,486	\$ 1,262,706	\$ 1,298,009	17.8%	3.6%
Transfers to Other Funds									
Solid Waste Recycling	\$ 200,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	75.0%	0.0%
DPW Equip Revolving	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	0.0%	0.0%
Fire Equip Revolving	\$ 101,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	-20.8%	0.0%
Police Vehicle Revolving	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	0.0%	0.0%
CDA Grant Transfer	\$ 70,118	\$ 71,520	\$ 72,951	\$ 74,410	\$ 75,898	\$ 77,416	\$ 78,964	12.6%	2.0%
Taxi/Payroll/Sick Leave	\$ 38,144	\$ 39,098	\$ 40,075	\$ 41,077	\$ 42,104	\$ 43,157	\$ 44,236	16.0%	2.5%
Street Repair	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	0.0%	0.0%
Contingencies	\$ 93,215	\$ 93,215	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	-3.4%	0.0%
Total Transfers to Other Funds	\$ 762,477	\$ 893,833	\$ 893,026	\$ 895,487	\$ 898,002	\$ 900,573	\$ 903,200	18.5%	3.7%
Debt Service/Sinking Funds									
Transfer to Debt Service Fund **	\$ 409,106	\$ 447,581	\$ 432,494	\$ 415,866	\$ 398,608	\$ 350,675	\$ 175,031	-57.2%	-10.7%
Transfers to Special Funds	\$ 220,179	\$ 227,885	\$ 235,861	\$ 244,116	\$ 252,660	\$ 261,504	\$ 270,656	22.9%	3.5%
Transfer to Utility Funds	\$ 82,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-100.0%	-100.0%
Total Debt Service/Sinking Funds	\$ 711,685	\$ 675,466	\$ 668,355	\$ 659,982	\$ 651,268	\$ 612,179	\$ 445,687	-37.4%	-7.5%
Totals	\$ 9,318,019	\$ 9,660,929	\$ 9,908,907	\$ 10,167,287	\$ 10,434,057	\$ 10,679,472	\$ 10,806,809	16.0%	3.2%
Deficit/Surplus (Revenues-Expenditures)	\$ -	\$ (206,922)	\$ (371,061)	\$ (544,784)	\$ (725,425)	\$ (913,241)	\$ (1,108,497)	0.0%	41.3%

** Actual Amounts, not estimates. Amount is subject to change if funds are borrowed.

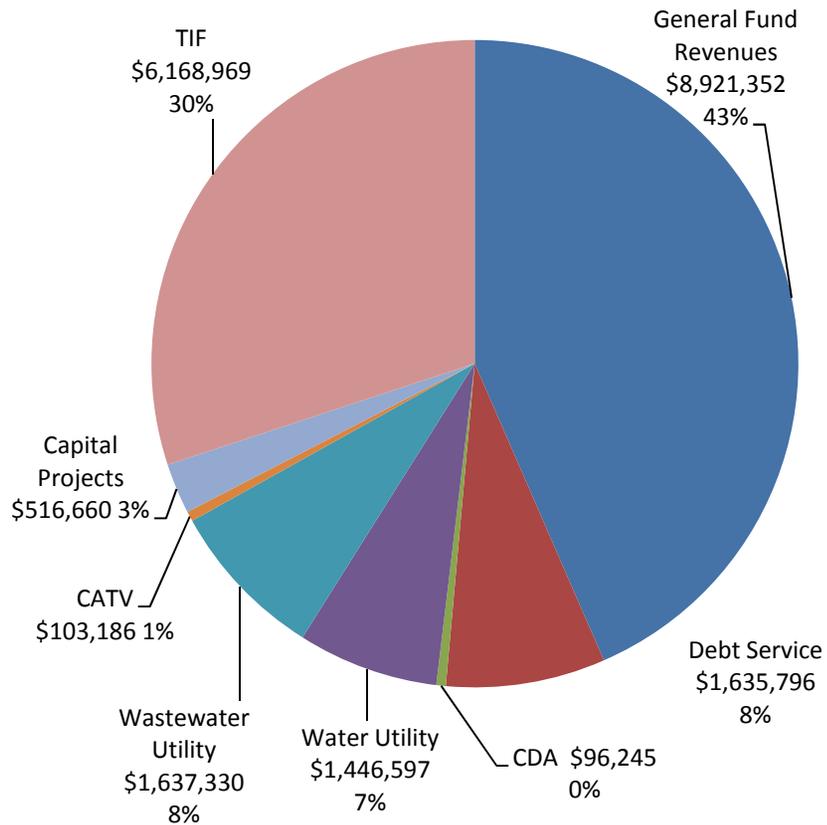
All Funds		
Actual Revenues		
Description	Year	
	2005	2009
General Fund Revenues	\$ 8,921,352	\$ 8,968,732
Debt Service	\$ 1,635,796	\$ 1,857,033
CDA	\$ 96,245	\$ 79,699
Water Utility	\$ 1,446,597	\$ 1,397,655
Wastewater Utility	\$ 1,637,330	\$ 1,772,926
CATV	\$ 103,186	\$ 111,911
Capital Projects	\$ 516,660	\$ 590,513
TIF	\$ 6,168,969	\$ 1,762,650
Total Revenues	\$ 20,526,135	\$ 16,541,119

All Funds		
Actual Expenditures		
Description	Year	
	2005	2009
General Fund Expenditures	\$ 8,520,719	\$ 9,048,827
Debt Service	\$ 1,635,796	\$ 1,857,033
CDA	\$ 148,163	\$ 142,560
Water Utility	\$ 956,020	\$ 1,222,578
Wastewater Utility	\$ 1,312,164	\$ 1,382,758
CATV	\$ 68,034	\$ 106,970
Capital Projects	\$ 351,363	\$ 643,389
TIF	\$ 2,633,987	\$ 3,333,355
Total Expenditures	\$ 15,626,246	\$ 17,737,470

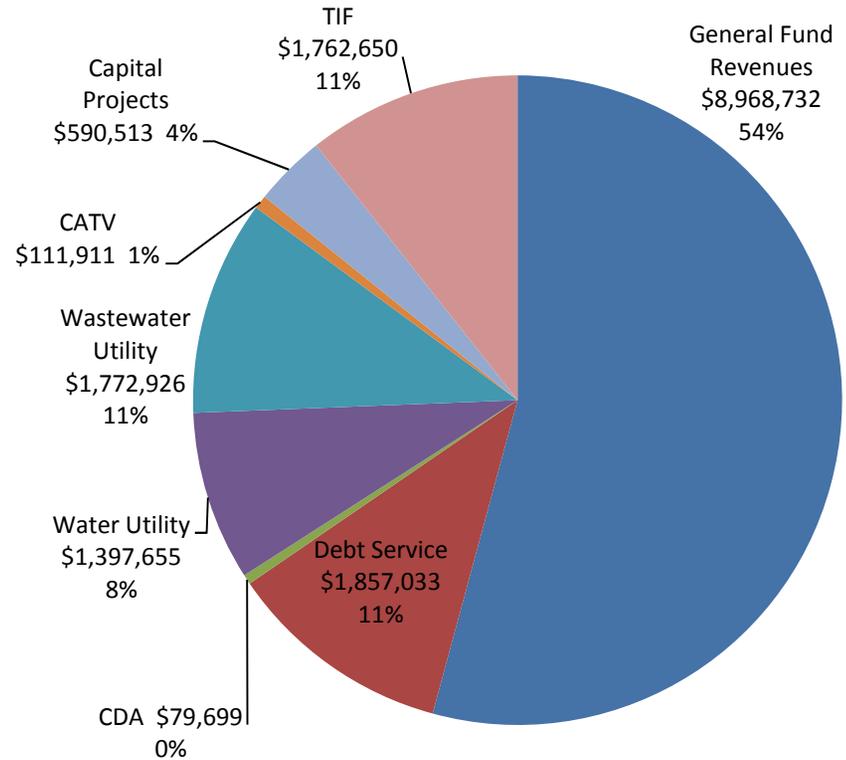
TIF District		
Actual Revenues		
Description	Year	
	2005	2009
District 1	\$ 226,616	\$ -
District 2	\$ 193,019	\$ -
District 3	\$ 46,332	\$ 36,505
District 4	\$ 1,316,725	\$ 1,723,343
District 5	\$ -	\$ -
District 6	\$ -	\$ 2,657
District 7	\$ -	\$ 97
District 8	\$ -	\$ 48
District 9	\$ -	\$ -
Total Revenues	\$ 1,782,692	\$ 1,762,650

TIF District		
Actual Expenditures		
Description	Year	
	2005	2009
District 1	\$ 226,616	\$ -
District 2	\$ 193,019	\$ -
District 3	\$ 46,331	\$ 389,610
District 4	\$ 1,316,725	\$ 2,884,633
District 5	\$ -	\$ -
District 6	\$ -	\$ 59,112
District 7	\$ -	\$ -
District 8	\$ -	\$ -
District 9	\$ -	\$ -
Total Expenditures	\$ 1,782,691	\$ 3,333,355

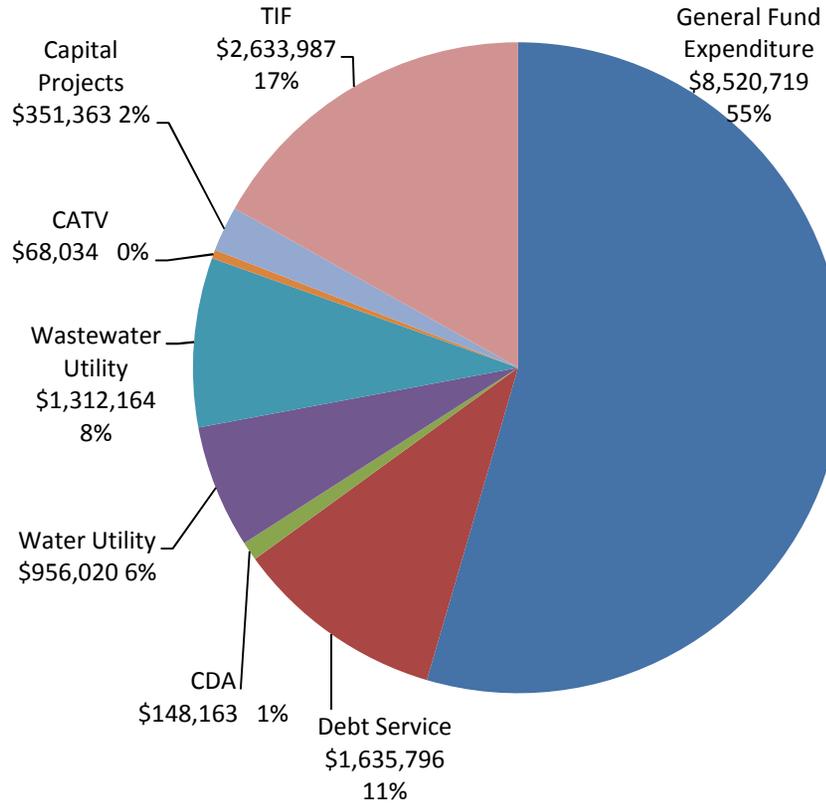
2005 All Funds Actual Revenues



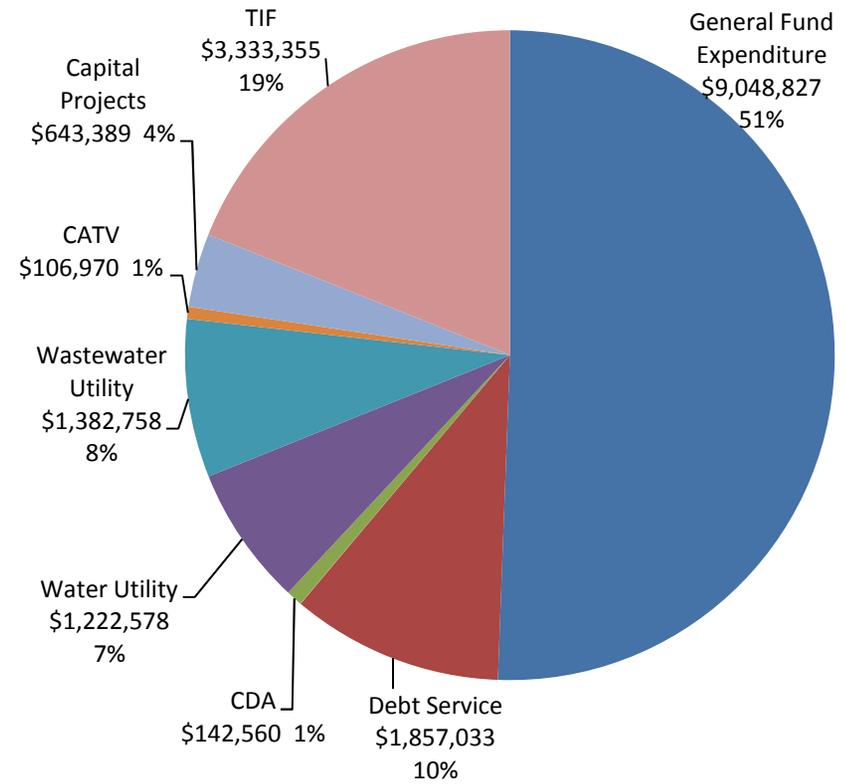
2009 All Funds Actual Revenues



2005 All Funds Actual Expenditures



2009 All Funds Actual Expenditures



General Fund Projected Budget (2011-2016)

