

**City of Franklin - 2023 Mayor's Recommended Budget  
General Fund Revenues**

City general fund revenues are typically relatively predictable. The majority of general fund revenue is obtained from property taxes, state shared revenue, and transportation aides which are known by the time the budget year begins. Revenues have historically not been dependent on changes in economic factors. However, varying factors, including the local economy, can cause fluctuations from year to year in certain revenue items.

Property Taxes

Property taxes are levied upon all real property and business personal property owners at a calculated rate per \$1,000 of assessed value. As is typical for most Wisconsin municipalities, the property tax is the primary revenue for city government operations. The trend for property taxes, as a percentage of General Fund Revenue, is as follows.

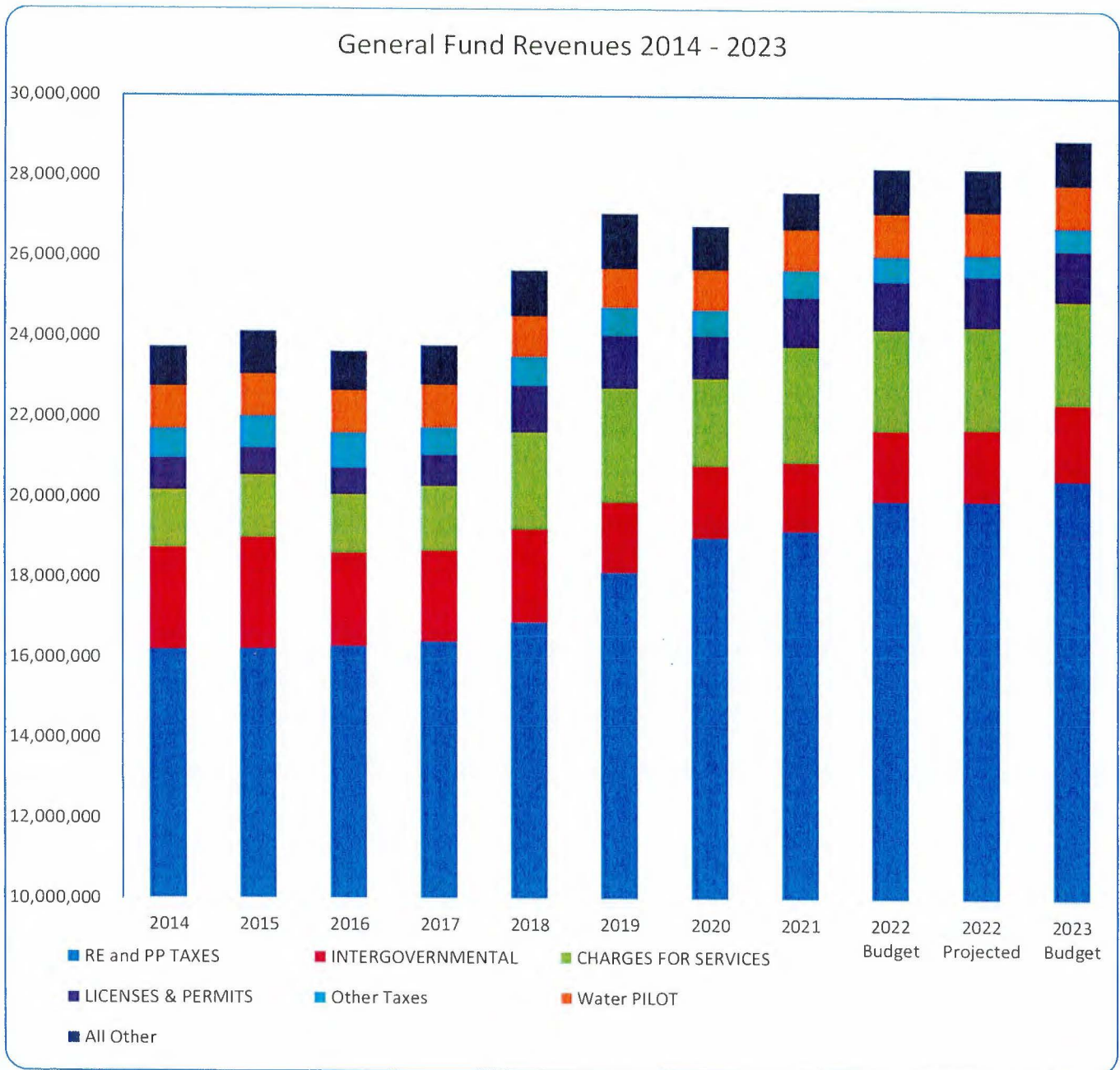
Budget Year	2019	2020	2021	2022	2023
General Fund Tax Levy	\$18,130,675	\$19,005,700	\$19,184,900	\$19,931,500	\$20,455,400
General Fund Revenue	\$25,948,442	\$27,129,330	\$27,369,168	\$28,213,729	\$28,931,075
Levy to Revenue	<b>69.9%</b>	<b>70.1%</b>	<b>70.1%</b>	<b>70.6%</b>	<b>70.7%</b>

Property taxes as a percentage of general fund revenues will increase or decrease depending on fluctuations in other revenues, the amount of growth in net new construction, and whether increases in expenditures are needed to meet service needs for the City.

The Chart below shows the tax levy by purpose and the amount of levy per capita for each purpose.

	2019	2020	2021	2022	2023
Population (for prior year)	35,779	35,996	36,514	36,646	35,895
Tax Levy	Actual	Actual	Actual	Budget	Budget
General Fund	\$18,130,675	\$19,005,700	\$19,184,900	\$19,931,500	\$20,455,400
Library	\$1,312,700	\$1,340,500	\$1,337,200	\$1,347,200	\$1,374,000
Capital	\$646,000	\$295,700	\$296,000	\$53,300	\$0
Debt Service	\$1,300,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000
Total Tax Levy	\$21,389,375	\$21,741,900	\$21,918,100	\$22,432,000	\$22,929,400
Per Capita					
General Fund	\$506.74	\$527.99	\$525.41	\$543.89	\$569.87
Library	\$36.69	\$37.24	\$36.62	\$36.76	\$38.28
Capital	\$18.06	\$8.22	\$8.11	\$1.46	\$0
Debt Service	\$36.33	\$30.56	\$30.13	\$30.02	\$30.65
Total Tax Levy	\$597.82	\$604.01	\$600.27	\$612.13	\$638.80

Note that the population used in the chart is for the year prior to the budget year.



The chart above demonstrates the change in revenue mix from 2014 through the 2023 Budget. The Taxes, Licenses and Permits, Charges for Services, Miscellaneous Revenues, Water Utility PILOT, increased over this time period, while Intergovernmental Revenues, Other Taxes, and All Other Category have declined.

Starting in 2019, General Transportation Aids (GTA's) were partially shifted to the Street Improvement Fund. GTA's have grown substantially in recent years related to street work done in the Tax Incremental Financing Districts. Landfill Siting Revenues, included in Charges for Services, aid the General Fund in that up to 20% of these revenues go into the General Fund with the majority, 80%, going to the Capital Funds.

### Utility Tax Equivalent

The Franklin Water Utility makes a payment in lieu of property taxes, as required by the Public Service Commission, by applying the local municipal and school tax rates against the total value of the Utility plant in service, infrastructure. As the plant in service has grown due to the continued development in the City, this revenue has also increased. Much of the plant value added has been contributed by developers, Tax Incremental Financing Districts, and projects at least partially funded by special assessments. For 2023, that payment is estimated at \$1,060,500. The Water Utility has two large projects in the near future which will raise this payment to the City.

### Hotel/Motel Room Tax

Hotels and motels charge a room tax that benefits the City of Franklin. The development of a hotel on South 27th Street resulted in the City receiving increased room taxes starting in 2009. A second hotel opened in July of 2015 near S 76th Street and W Rawson Avenue. The 2015-16 state budget included a provision which directs a portion of this revenue to tourism beginning in 2017. In 2016, the year prior to the new restriction, this revenue provided \$327,191. In 2021, the City raised the tax rate from 6% to 8%, effectively increasing the rate 33%. For 2023, the General Fund revenue is capped at \$151,900, with the balance directed to the Franklin Tourism Commission. The addition of planned hotels in the near future will allow the General Fund portion of the Hotel/Motel Tax to increase.

### Cable Franchise Fees

A franchise fee is charged by the City on cable television services, and has decreased in recent years. Declining trends in the number of cable subscribers has impacted this revenue. For 2023, that fee is estimated at \$385,000.

In the 2019-20 State Budget, the legislature lowered the cable tax rate from 5% to 4%, beginning in January of 2020. A new state aid was created to replace the impact of the tax rate reduction. The combined effect is zero, while the fees appear to decline and Intergovernmental Revenues increase. That revenue is expected to be \$98,500 in 2023, unchanged from the prior year.

### State Shared Revenue

State Shared Revenue is based on a formula that considers per capita and aidable revenue factors that included relative property value of the City and local revenue generated. During recent years the State has either not increased or has decreased the amount received. In 2017, the City received \$641,300, in 2022 shared revenue is anticipated to receive \$433,400, a 32.4% decrease.

Expenditure Restraint payments are provided by the State to communities that limited their General Fund spending to a specified percentage increase over the prior year. The percentage

limit considers inflation and growth in new construction in the City. Communities are only eligible their equalized tax rate over 5 mils, which is at least \$5.00 per 1,000 of assessed value. In 2015, the City of Franklin received more than \$284,000, however, the City ceased receiving this aid, beginning in 2022, when its equalized tax rate dipped below \$5.00 per thousand of value.

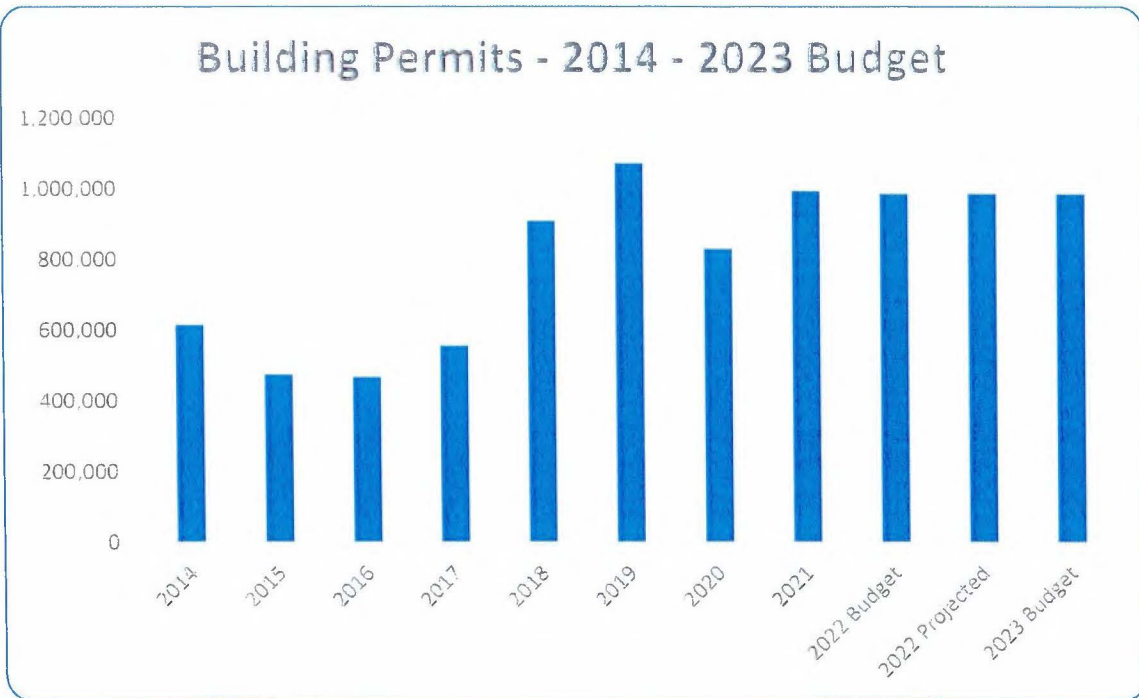
The State provides General Transportation Aids to local communities. These aids are based on a formula established by the State that considers the cost of maintaining the City's transportation system, including maintenance, traffic enforcement, and capital street construction costs. This formula uses Franklin's highway expenditures over a rolling 6-year period in determining the aid amount. In 2017, the City of Franklin received \$1,093,339. For 2022, transportation aids are set at \$1,803,200 – a 65% increase. GTA funding is released in mid-October each year, so the 2023 amount will be determined at that time, and the budget will be adjusted if needed. Street improvements in a number of the City's Tax Incremental Financing Districts will impact transportation aids for several years. Beginning in 2019, only a portion of this Aid funds the General Fund operations, with the balance supporting the Street Improvement Fund.

A 1997 legislative change exempted business computers from being subject to property tax. It also provided for a state aid payment to municipalities to offset the loss of this income. The program was frozen by the Legislature in the 2017-18 budget, with a 1.47% increase in 2019 from 2018 levels. In the same budget, a new class of personal property was exempted, with a new Personal Property Aid payment. However, the new aid payment reduces the allowable levy increase dollar for dollar. For 2022, the exempt computer aids are \$346,700, an increase of approximately \$118,700 due to the closure of TID #3, and the exempt personal property aid is approximately \$86,400.

Overall support from the Intergovernmental Revenues have remained fairly stable over the last few years, with the increase in 2023 mainly coming from the increase in exempt computer aid as noted above. Generally, Franklin's shared revenue per capita is near the very bottom for cities of a similar size in the State, which relates to the higher per capita income and lack of utility property in the City.

### Licenses and Permits

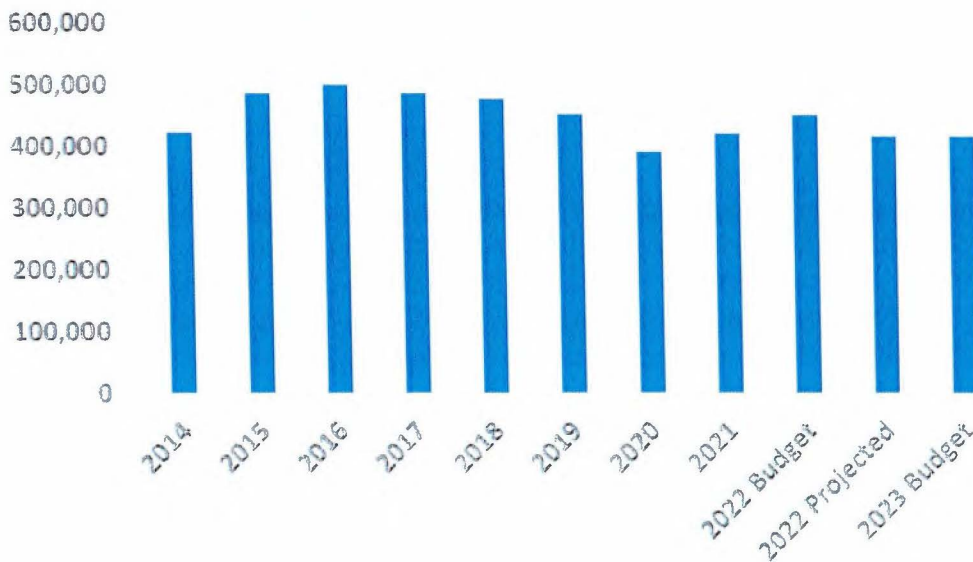
The City issues numerous licenses and permits in performing its regulatory functions, such as building, electrical, plumbing, liquor, bartender, peddler, food, pet, contractor, and others. The majority of such revenue items do not fluctuate greatly from year to year and in some cases, change is limited by state statutes. The primary revenue in the permit category, making up approximately 78% of the category, is building, plumbing, and electrical permits. The 2023 budget anticipates \$985,000 in Building, Plumbing, and Electrical permit revenues. That compares to \$970,000 budgeted, as well as expected, in 2022. The Tax Increment Districts provide the prospect of increased building permit revenue.



Penalties and Forfeitures

This category represents the City's share of fines from violation of City ordinances and state statutes, as well as parking ticket revenue. The 2022 projection is \$450,000. 2021 Penalties and Forfeitures were adversely impacted by the COVID19 Pandemic, as residents did not travel as much. Offsetting this reduction was the addition of the Tax Intercept collection process. That state-wide collection effort has advanced the time that fines and penalties have been receipted.

### Fines & Penalties



### Charges for Services

This revenue includes charges for use of City services. The primary revenue in this category is generated from ambulance services (53%), planning, engineering and administrative fees, and charges to developers in connection with development agreements.

2023 ambulance fees are estimated at \$1,350,000, this is budgeted as a decrease compared to the actual 2021 revenue based on the revenues booked to date in 2022. It is expected that additional senior housing projects, if built, will impact future ambulance revenues.

In 2023, Landfill siting revenues dedicated to the General Fund are remaining at the 2022 budgeted amount of \$460,000. This is a conservative estimate as actual landfill siting revenues have been favorable to the 2022 budgeted amount. The Common Council directed that up to 20% of expected Landfill Siting revenues be dedicated to operating activities. See below for further discussion of Landfill Siting revenues.

### Landfill Siting Revenues

The granting of a landfill license to Waste Management, in 2010, by the Wisconsin Department of Natural Resources, saw the beginning of a new revenue for the City and surrounding communities. A Landfill Siting Agreement was completed, requiring a payment for each ton of fill going into the site, which is shared as 75% to the City of Franklin, as the home City, and the remaining 25% to six other communities. The initial license was for 1.2 million tons. In 2018, the first expansion license was obtained, expanding the landfill by 9 million tons. With that expansion, the fee increased by 25%. Waste Management had been controlling the amount of material accepted until the expansion permit was obtained. Revenues in recent years is listed here:

2018 - \$968,368  
2019 - \$2,593,804  
2020 - \$2,321,287  
2021 - \$2,515,603  
2022 - \$2,300,000 Budget  
2022 - \$2,300,000 - \$2,500,000 Estimate  
2023 - \$2,300,000 – Budget

This revenue will end when the landfill license is exhausted, so limiting the funding of current operations to 20% of revenue is a prudent way to ensure that City operations do not become too reliant on the revenues. As noted earlier, the City uses the other 80% of the funding for capital projects. The site has the potential for 19 million tons of waste, assuming one additional 9-million-ton license renewal, so it is expected that these revenues will be available for quite a number of years into the future.

### Intergovernmental Charges for Services

In addition to the Emergency Medical Services revenue included in charges for services above, a Milwaukee County subsidy is received toward providing the service. In 2012, the County negotiated a three-year agreement that has Franklin receiving \$125,000 per year in Emergency Medical Service aids. For 2023, revenues are expected to be \$219,100. As noted, this revenue is subject to adjustment and reductions, and should be monitored for its impact on the General Fund in the future.

In 2015, the Franklin School District resumed a program of a School Liaison Officer and contributes the majority of the cost of an officer who primarily works at the School District. This program is expected to continue in 2023.

### Interest Revenue

Investment earnings is one, of two, main revenues in this category. Investment interest has declined following the falling short-term interest rates since 2009. Short-term investment returns rose rapidly in 2018 and 2019. Economic pressures related to the COVID-19 pandemic pushed rates back toward zero, however, 2022 has brought increases to the interest rates. This revenue will follow market interest rate movements.

Another component of investment results is realized and unrealized gains/losses on fixed income investments. The City's investment policy limits the term of investments to a maximum of seven years. That provides downside protection from investment losses related to longer duration securities. Investments are reflected at market values generating unrealized gains and losses. However, as investments are anticipated to be held to maturity, unrealized losses are not expected to be realized, barring any premature forced sale for an emergency.

The last major component is interest charged at the statutory rate of 12% per annum on delinquent property taxes. The City retains any interest collected before it turns over uncollected Real Estate Tax Bills to Milwaukee County in August of each year. Personal Property Tax Bills are retained and pursued for collections by the City due to a 2011 State law change.

### Miscellaneous Revenue

Water Tower rentals to cell phone companies and insurance dividends are the main components of miscellaneous revenue. This category is budgeted conservatively as the revenues collected vary more than other revenue categories.

City of Franklin, WI  
General Fund Revenues

GL NUMBER	DESCRIPTION	2023 ADOPTED BUDGET	2023 DEPT REQ BUDGET	2022 PROJECTED ACTIVITY	2022 AMENDED BUDGET	2021 ACTIVITY
<b>REAL ESTATE TAXES</b>						
01 0000-4011	GENERAL PROPERTY TAX REAL ESTATE TAXES	20 455 400	20 455 400	19 931 500	19 931 500	19 176 109
		20 455 400	20 455 400	19 931 500	19 931 500	19 176 109
<b>TAXES</b>						
01-0000-4012	PROPERTY TAX SPECIAL PAY IN LIEU OF TAX	12 000	12 000	12 000	12 000	11 816
01-0000-4014	MOBILE HOME TAX	20 000	20 000	20 000	20 000	18 090
01-0000-4022	MOTEL ROOM TAX	151 900	151 900	151 900	151 900	215 434
01-0000-4025	CABLE TV&VIDEO FRANCHISE FEE REVENUE TAXES	385 000	385 000	354 000	443 000	431 248
		568 900	568 900	537 900	626 900	676 588
<b>FUND TRANSFERS</b>						
01 0000-4031	TAX EQUIVALENT TRANSFERS IN	1 060 500	1 060 500	1 060 500	1 063 600	1 017 790
		1 060 500	1 060 500	1 060 500	1 063 600	1 017 790
<b>INTERGOVERNMENTAL</b>						
01 0000-4121	PER CAPITA	433 400	433 400	433 400	433 000	404 725
01 0000-4122	STATE MEDICAL TRANSPORT AID	29 000	29 000	29 000	30 000	28 638
01-0000-4124	EXPENDITURE RESTRAINT			-		45 201
01-0000-4125	SPECIAL UTILITY	110 200	110 200	114 800	119 000	117 510
01 0000-4126	STATE EXEMPT COMPUTER AID	346 700	346 700	228 000	225 000	228 051
01-0000-4127	FIRE INSURANCE TAX	198 000	198 000	197 000	175 000	184 631
01-0000-4128	EXEMPT PERS PROP AID	86 400	86 400	78 000	78 000	60 298
01 0000-4129	VIDEO SERVICE PROVIDER AIDS	98 500	98 500	98 500	98 500	98 516
01 0000-4144	GEN TRANS AIDS	600 000	600 000	615 000	600 000	540 000
01-0000-4157	OTHER POLICE GRANTS INTERGOVERNMENTAL					1,085
		1 902 200	1 902 200	1 793 700	1 758 500	1 708 655
<b>LICENSES &amp; PERMITS</b>						
01-0000-4201	BEER & ALCOHOL	42 100	42 100	42 100	32 100	32 415
01 0000-4202	CLASS A LIQUOR					40
01-0000-4204	CLASS B LIQUOR & RESERVE FEE					50
01-0000-4209	BARTENDER/OPERATOR LICENSE	17 000	17 000	18 000	16 500	16 079
01 0000-4213	AMUSEMENT & ENTERTAIN LICENSES	9 500	9 500	9 500	6 200	9 090
01-0000-4215	BOWLING AND POOL	-			775	
01-0000-4217	ENTERTAINMENT & AMUSEMENT	100	100	100	4 000	75
01 0000-4219	PEDDLER/TRANSIENT/DOOR TO-DOOR	2 900	2 900	2 900	4 500	2 647
01-0000-4222	FOOD PRE-INSPECTION	7 500	7 500	7 500	5 000	8 802
01-0000-4223	FOOD LICENSE	5 100	5 100	5 100	5 000	6 560
01 0000-4227	SODA LICENSE	300	300	300		199
01-0000-4229	CIGARETTE LICENSE	2 400	2 400	2 400		2 400
01-0000-4233	COUNTRY CLUB LICENSE				250	
01 0000-4237	SALVAGE YARD/WASTE DISPOSAL				700	
01-0000-4241	OTHERLIC/PUBLIC GRT/TAXEXMPT	3 400	3 400	3 400	2 000	2 832
01-0000-4242	TECHNOLOGY FEE	20 000	20 000	20 000	15 000	17 377
01 0000-4257	BICYCLE LICENSE					31
01-0000-4261	ANIMAL & MOBILE HOME LICENSES	6 000	6 000	6 000	6 800	5 982
01 0000-4262	RETAIL FOOD ESTABLMT LICENSE	26 000	26 000	26 000	20 000	24 932
01 0000-4263	RESTAURANT LICENSE & MISC FEES	43 000	43 000	43 000	35 000	39 763
01-0000-4264	APPLICATION&OTHER HEALTH LIC	8 500	8 500	8 500	8 500	8 520
01 0000-4265	POOL LICENSE FEES	9 300	9 300	9 300	9 300	10 484
01-0000-4266	HOTEL/MOTEL LODGING LICENSE FEES	3 500	3 500	3 500	3 500	4 453
01 0000-4268	HEALTH LATE FEES	-				300
01 0000-4269	HEALTH REINSPECTION FEES					155
01-0000-4270	HEALTH PREINSPECTION FEES	1 000	1 000	1 500	-	
01 0000-4271	BUILDING PERMITS	675 000	675 000	675 000	675 000	722 271
01-0000-4273	ELECTRICAL PERMITS	170 000	170 000	170 000	170 000	131 817
01 0000-4275	PLUMBING PERMITS	140 000	140 000	140 000	125 000	139 738
01 0000-4277	STREET EXCAVATION PERMITS	23 000	23 000	23 000	15 000	6 204
01-0000-4279	FILL PERMITS	1 000	1 000	1 000	5 000	50
01 0000-4281	SIGN PERMITS	10 000	10 000	10 000	12 000	12 570
01-0000-4285	SPECIAL EVENT PERMIT	500	500	500	900	200
01-0000-4286	PARK CANCELLATION FEE NON TAXABLE	-			-	50
01-0000-4287	PARK & FIELD RESERVATION-TAXABLE	35 000	35 000	35 000	18 000	28 776
01-0000-4288	FIRE BURNING & OTHER PERMITS	3 200	3 200	3 200	3 750	3 455
01-0000-4289	ALARM/BARRICADE/MINING PERMITS LICENSES & PERMITS	2 800	2 800	2 800	2 500	2 690
		1 268 100	1 268 100	1 269 600	1 202 275	1 241 007
<b>PENALTIES &amp; FORFEITURES</b>						
01 0000-4311	FINES/PENALTY/RESTITUTION/MISC POLICE PENALTIES & FORFIETURES	415 000	415 000	415 000	450 000	419 889
		415 000	415 000	415 000	450 000	419 889



City of Franklin, WI  
General Fund Revenues

GL NUMBER	DESCRIPTION	2023 ADOPTED BUDGET	2023 DEPT REQ BUDGET	2022 PROJECTED ACTIVITY	2022 AMENDED BUDGET	2021 ACTIVITY
<b>CHARGES FOR SERVICES</b>						
01 0000-4401	SUBDIVISION FILING	10 000	10 000	10 000	20 000	16 125
01 0000-4402	LAND COMBINATION FILING	10 000	10 000	25 000	2 500	16 229
01 0000-4403	CSM FILING	5 000	5 000	5 000	10 000	1 250
01-0000-4404	SITE PLAN REVIEW FILING	60 000	60 000	75 000	20 000	84 838
01 0000-4405	VARIANCE & APPEALS FILING	2 500	2 500	2 500	2 500	600
01-0000-4406	SPECIAL USE FILING	8 000	8 000	8 000	12 500	12 000
01-0000-4407	REZONING FILING	15 000	15 000	15 000	4 500	21 400
01-0000-4409	OTHER FILING & PLANNING CHARGE	7 000	7 000	7 000	15 000	6 000
01-0000-4411	PUBLICATIONS & RECORDING	1 000	1 000	1 000	2 400	1 106
01-0000-4413	PROPERTY STATUS REPORTS	10 000	10 000	10 000	5 500	11 720
01-0000-4415	COPYING CHARGES	800	800	800	500	410
01-0000-4421	MAP & CD SALES TAXABLE	300	300	300	300	309
01 0000-4425	ARCHITECTURAL BOARD REVIEW	5 500	5 500	5 500	6 500	7 890
01-0000-4431	POLICE SERVICES	2 500	2 500	2 500	2 800	2 919
01 0000-4432	SPECIAL EVENT PUBLIC SAFETY	3 500	3 500	3 500	4 000	3 377
01-0000-4440	AMBULANCE SERVICES ALS	1 350 000	1 350 000	1 350 000	1 350 000	1 244 378
01-0000-4441	AMBULANCE SERVICES-BLS					325 181
01-0000-4442	FIRE SAFETY CPR TRAINING FINES & MISC	4 000	4 000	4 000	1 500	3 768
01-0000-4443	FIRE PLAN REVW/WITNESS/TEST	4 000	4 000	4 000	4 000	3 700
01 0000-4444	FIRE INSPECTION&REINSPECTION	19 000	19 000	19 000	10 000	17 067
01-0000-4445	QUARRY REIMBURSEMENT	42 000	42 000	42 000	45 000	34 850
01-0000-4449	WEIGHTS & MEASURES CHARGES	4 900	4 900	8 500	8 500	7 507
01-0000-4451	OTHER HEALTH/SANITARIAN FEES					45
01 0000-4452	CLINIC SERVICES	35 000	35 000	35 000	75 000	10 786
01 0000-4453	SALE OF RADON TEST KITS	1 000	1 000	1 000	1 250	840
01-0000-4456	HEALTH LABOR CHARGED TO GRANTS	42 500	42 500	42 500	42 500	66 781
01-0000-4470	WEED CONTROL	7 000	7 000	4 000	7 000	4 580
01-0000-4471	STREET LIGHTING	22 500	22 500	22 500	15 000	31 719
01-0000-4479	ENGINEERING FEES	300 000	300 000	250 000	250 000	344 467
01 0000-4480	DPW CHARGES	45 000	45 000	45 000	45 000	49 898
01-0000-4485	INVESTMENT MNGT FEES	-	-	-	-	75 975
01-0000-4493	LANDFILL OPERATIONS-SITING	460 000	460 000	460 000	460 000	402 432
01-0000-4496	LANDFILL OPERTN-EMERALD PARK	78 000	78 000	78 000	80 000	56 646
	CHARGES FOR SERVICES	2 556 000	2 556 000	2 536 600	2 503 750	2 866 793
<b>INTERGOVT CHGS FOR SERVICES</b>						
01-0000-4611	COUNTY EMT-PARAMEDIC-ALS	219 100	219 100	150 000	121 200	119 413
01-0000-4615	SCHOOL LIAISON OFFICER	91 800	91 800	90 000	90 000	85 268
01-0000-4625	FIRE INSPECTION SERVICES	20 000	20 000	20 000	50 000	-
	INTERGOVERNMENTAL CHARGES	330 900	330 900	260 000	261 200	204 681
<b>INVESTMENT EARNINGS</b>						
01-0000-4711	INTEREST ON INVESTMENTS	143 075	143 075	160 000	92 700	39 727
01-0000-4713	INVESTMENT GAINS/LOSSES				-	(11 492)
01-0000-4715	INTEREST TAX ROLL	73 000	73 000	73 000	100 000	53 906
01-0000-4716	INTERFUND INTEREST	2 500	2 500	2 500	2 438	2 476
01-0000-4719	MISCELLANEOUS INTEREST	3 000	3 000	3 000	1 000	5 333
	INTEREST & INV INCOME	221 575	221 575	238 500	196 138	89 950
<b>MISCELLANEOUS REVENUE</b>						
01-0000-4725	RENTAL-MUNICIPAL PROP	85 000	85 000	85 000	90 000	83 923
01-0000-4730	DONATIONS-Cash			2 200		11 700
01-0000-4751	PROPERTY SALE			6 800		
01-0000-4753	CULVERT SALES-NO TAX				8 500	
01-0000-4756	SALE OF STATE SEALS	1 500	1 500	1 500	1 500	200
01-0000-4757	HOUSE NUMBER SALES	500	500	500		665
01 0000-4771	INSURANCE DIVIDEND	37 500	37 500	37 500	65 000	66 975
01-0000-4781	REFUNDS/REIMBURSEMENTS	25 000	25 000	25 000	50 000	31 818
01-0000-4782	REFUND/REIMBURSEMNT ELECTION					8 557
01-0000-4784	MADACC ANML LIC SOLD/ORD FEE	2 000	2 000	2 000	4 500	4 158
01-0000-4798	CASH OVER(SHORT)					3
01 0000-4799	MISCELLANEOUS REVENUE	1 000	1 000	3 000	366	180
	MISCELLANEOUS	152 500	152 500	163 500	219 866	208 179
	TOTAL REVENUES	28 931 075	28 931 075	28 206 800	28 213 729	27 609 641

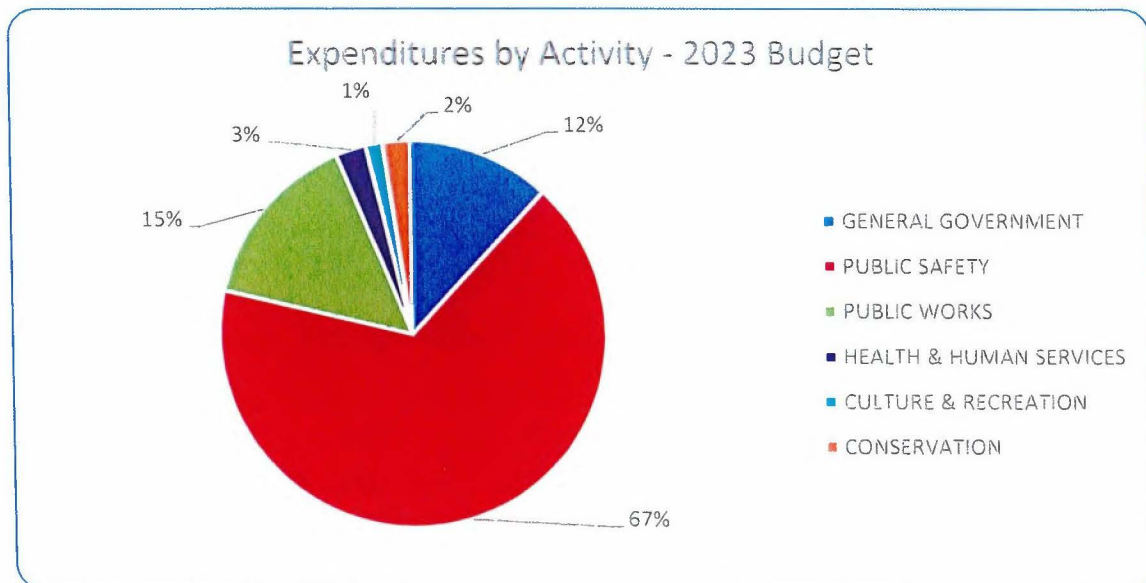
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## City of Franklin General Fund Expenditures

City General Fund expenditures are divided into Activities and further reported by Category/Department. The Activities consist of: General Government, Public Safety, Public Works, Health & Human Services, Culture & Recreation, and Conservation and Development.

A summary of the expenditures by Activity, in thousands, without the restricted contingency as this is only able to be utilized with additional available revenues and a super majority vote of the Common Council, is as follows:

	2017	2018	2019	2020	2021	2022 Budget	2022 Projected	2023 Budget	Inc (Dec)
General Gov't.	2,941	2,945	2,954	3,080	2,946	3,131	3,038	3,455	324
Public Safety	16,660	17,077	17,157	17,471	17,870	18,966	19,767	19,299	332
Public Works	3,853	3,388	4,140	4,066	4,199	4,271	4,274	4,375	104
Health/Human	676	670	647	664	706	752	721	730	(22)
Culture & Rec	188	241	223	288	329	452	364	377	(74)
Conservation	520	512	606	598	531	618	620	671	53
Transfers	57	84	52	48	374	24	24	24	0
<b>Total</b>	<b>24,895</b>	<b>24,917</b>	<b>25,779</b>	<b>26,215</b>	<b>26,955</b>	<b>28,214</b>	<b>28,808</b>	<b>28,931</b>	<b>717</b>



### General Government

General government is comprised of 12 departments that provide either specific services for the City or provide internal services to or on behalf of the departments providing services. General Government Expenditures are approximately 11.9% of the General Fund Expenditure Budget. General Government Expenditures have a disproportionate component of contract services as several functions have been contracted out, including Assessing and Legal Services. Certain General Government Services provide services for other funds, such as financial services to the Utilities and TID's; those funds then reimburse the General Fund for those services. The details for General Government Departments may be found in Section 3 of this document.

### **Public Safety**

Public Safety is comprised of Police, Fire, Public Fire Protection, Inspection Services, and Weights and Measures. Public Safety Expenditures comprise approximately 66.7% of the General Fund Expenditure Budget. The details for Public Safety Departments may be found in Section 4 of this document.

### **Public Works**

Public Works is comprised of Engineering, Highway, Street Lighting, and Weed Control. Public Works Expenditures comprise approximately 15.1% of General Fund Expenditure Budget. Substantial expenditures in these budgets are the cost of road salt and fuel, as well as the labor cost to provide the services. The details for Public Works Departments may be found in Section 5 of this document.

Note that Public Works and Parks, even though shown in a different category, are connected as the two departments share employees to provide services. The breakdown between the Highway Budget and the Parks Budget is management's best estimation of which areas the work will be focused in the budget year.

### **Health & Human Services**

Health & Human Services is comprised of the Health and the Animal Control Expenditures. Health & Human Services Expenditures equate to approximately 2.5% of the General Fund Expenditure Budget. The pandemic emergency in 2020 demonstrated the impact of these services to the community. The details for Health & Human Services Departments may be found in Section 6 of this document.

### **Culture & Recreation**

Culture & Recreation is comprised of the Parks and Recreation expenses. Culture & Recreation includes amounts paid for St. Martin's Fair and Civic Celebrations. Culture & Recreation Expenditures amount to approximately 1.4% of the General Fund Expenditure Budget. The details for Culture & Recreation Departments may be found in Section 6 of this document.

Note: The Parks Budget is included in the Recommended Budget under Public Works due to reporting authority.

### **Conservation & Development**

Conservation & Development is comprised of the Economic Development and Planning functions. Conservation & Development expenditures amount to approximately 2.2% of the General Fund Expenditure Budget. In 2016, the City added a full-time Economic Development Director to foster greater development. The details for Conservation & Development Departments may be found in Section 6 of this document.

### **Transfers and Contingency**

Transfers relate to contributions by the General Fund to Recreation Departments, as well as periodic one-time uses of excess General Fund monies for capital expenditures.

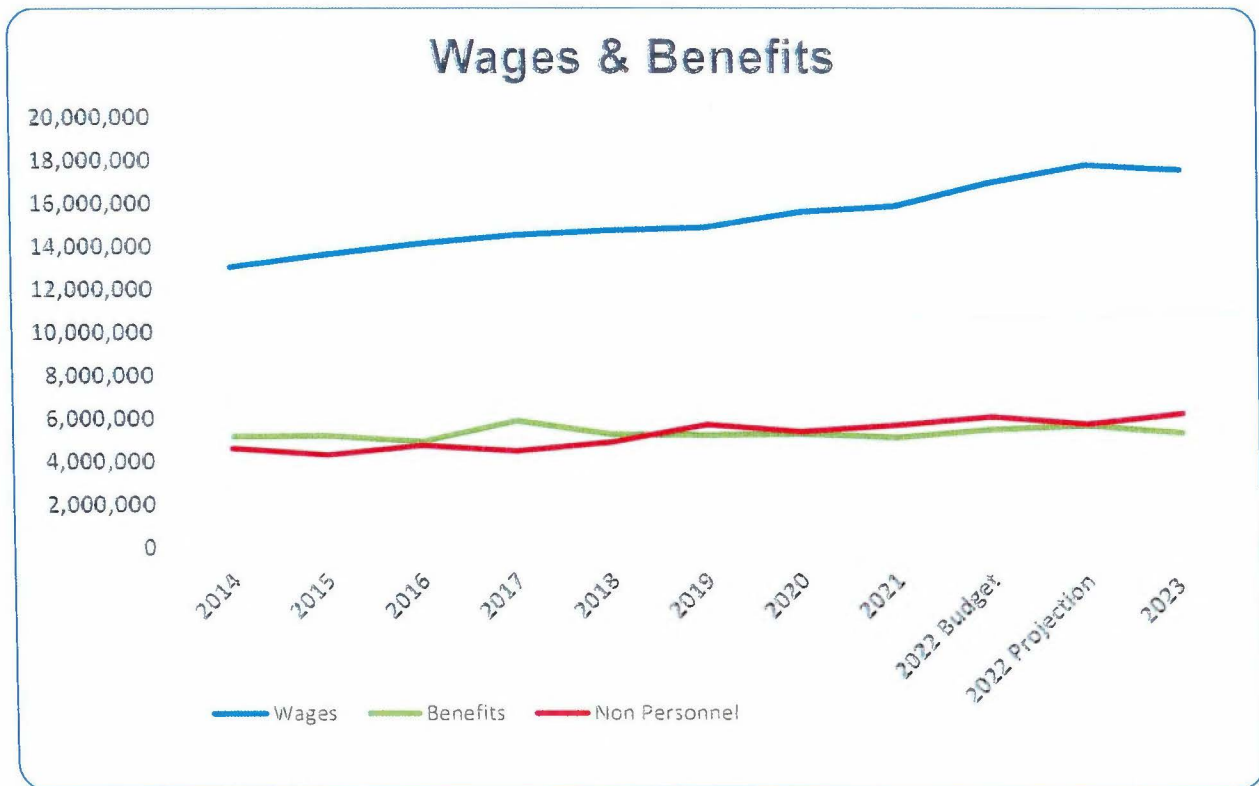
Contingency includes a provision for unexpected expenditures and to provide Restricted reserves for emergencies, such as the 2020 Pandemic.

The details for Transfers and Contingency Departments may be found in Section 6 of this document.

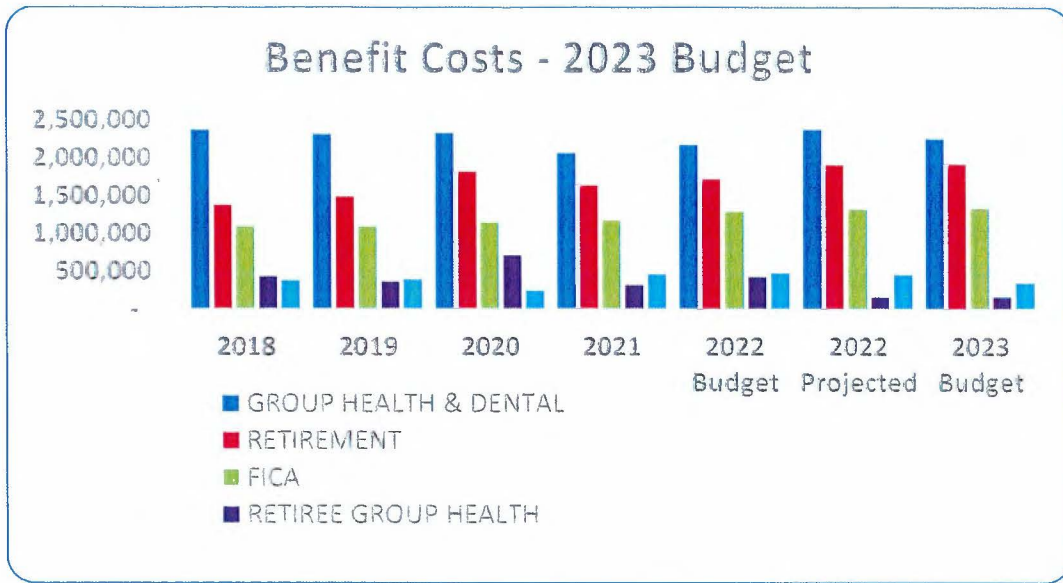
**General Fund Expenditures by Functional Category**

The 2023 General Fund Expenditure Budget is presented, on a following page, by functional categories. Salaries, wages and benefits comprise approximately 73% of the General Fund Budget.

Wages have grown from \$12.5 million in 2013 to \$17.5 million in 2023 or 40%, which equates to 4% per year on average. Authorized Full-Time Equivalent (FTE) Positions have increased by 12.85 during this same time period as is illustrated by the Authorized Position Chart in Section 1 of this document. This includes the recommended increase of 2.03 FTE's for 2023, including: one Police Community Service Officer, one Firefighter, and an increase in hours for the Planning Intern.

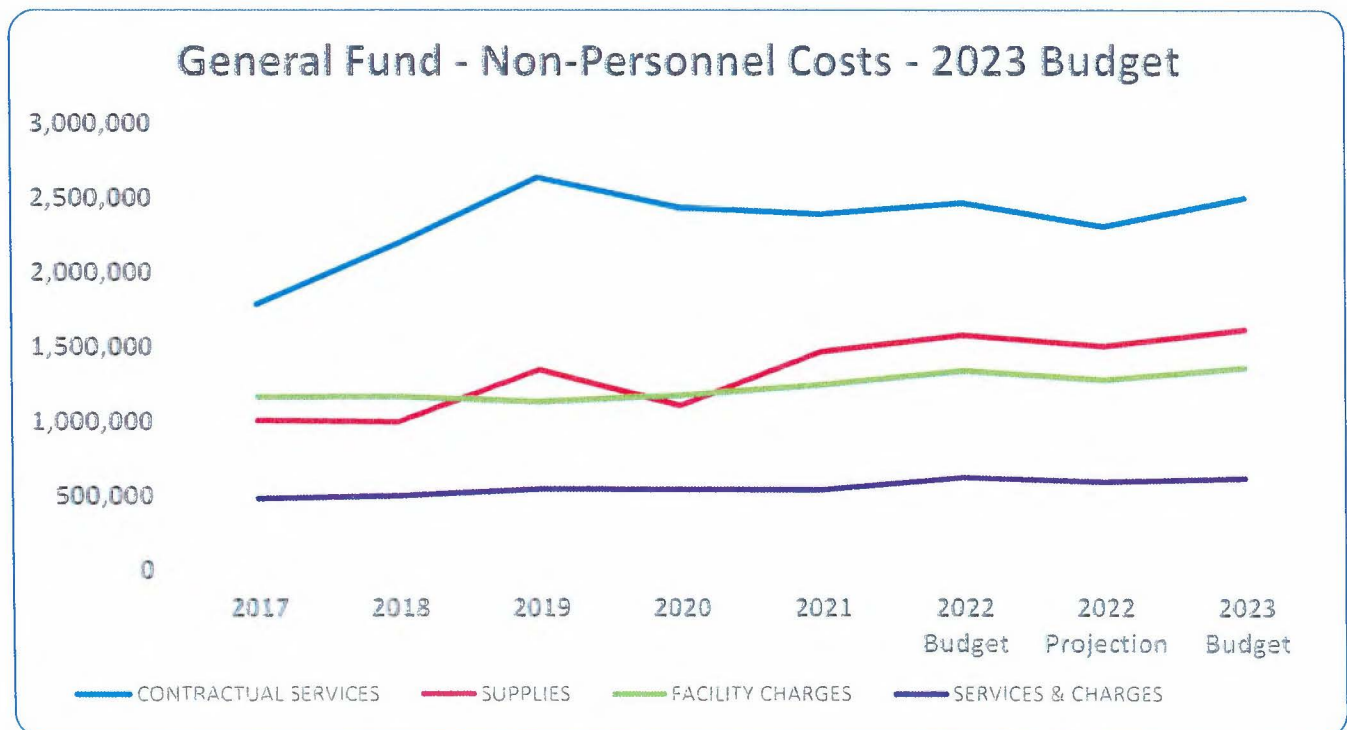


Employee benefits which consist of Group Health & Dental, Retirement, Retiree Health, Life Insurance and Employment Taxes have declined from \$6.3 million in 2017 to \$6.1 million in 2023. The reduction was possible by managing health care costs and sharing the cost of retirement benefits, as well as the 2017 one-time pension contribution.



In 2019, the City elected the Wisconsin Retirement System pension plan for all new employees. Those employees in the old plans were provided the option of remaining in the old plans. In the short term, Public Works retirement costs will be elevated as the unpaid benefit costs of the old Public Works plan work through the system. In 2020, the City made a \$325,000 special contribution to the Retiree Health Plan. Also, in 2020, the City General Fund made a \$200,000 contribution to the Public Works Pension plan.

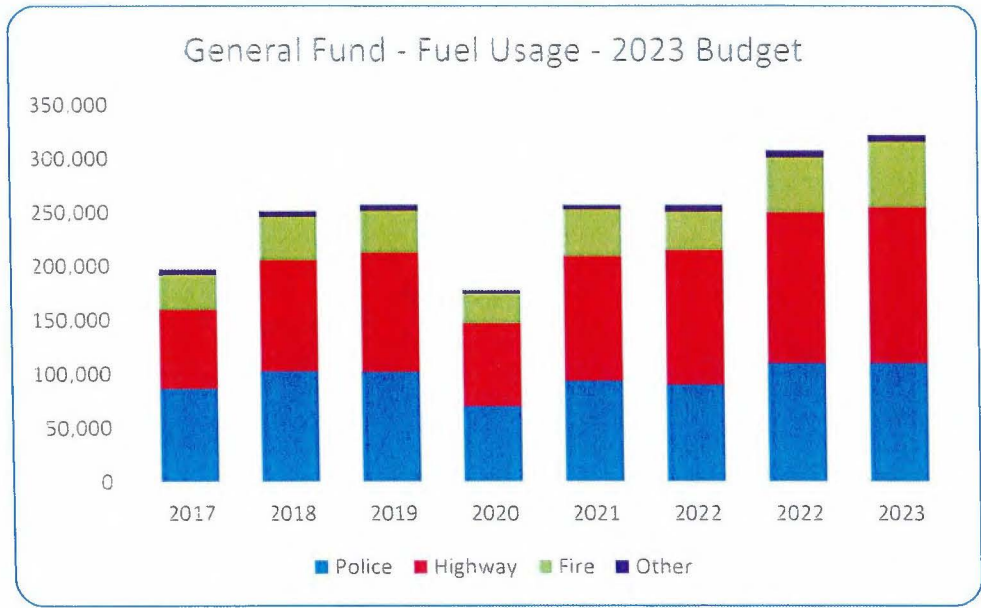
Health costs declined in 2020 due to increased employee contributions, reducing the City's share of the benefit.



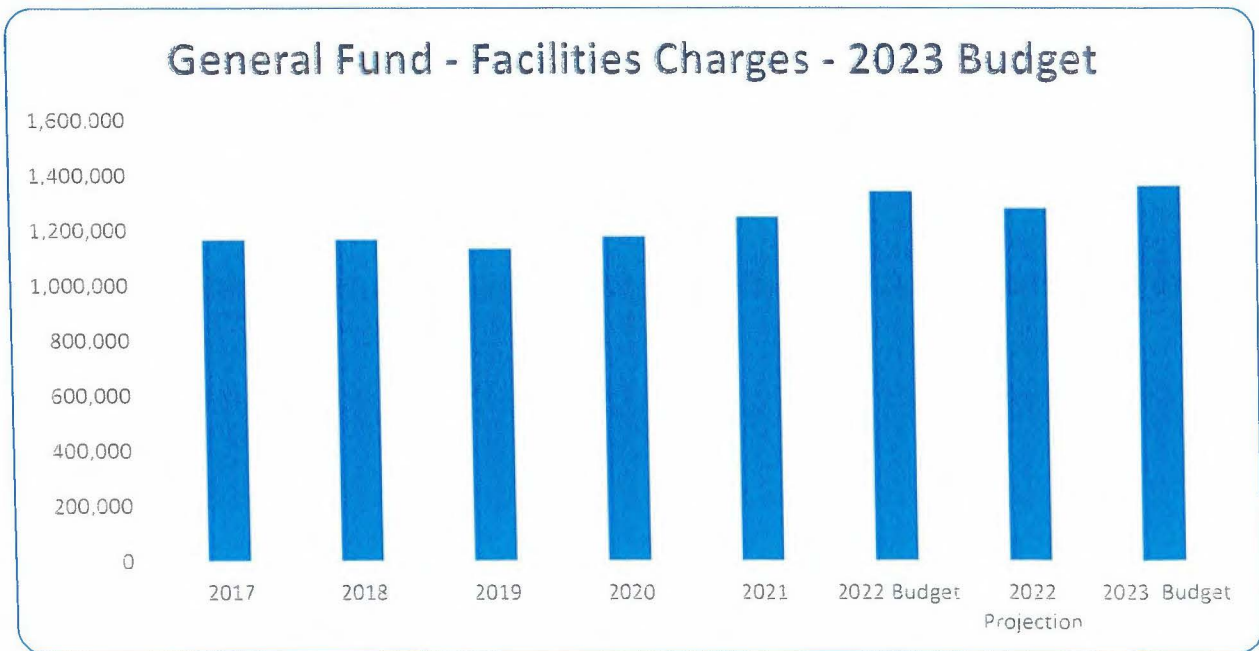
Non-personnel costs consist of Property Insurance, Contracted Services, Utilities, Operating Supplies, Services & Charges, Facility Charges, Other Costs and Contingency.

Beginning in 2018, Engineering contract services includes inspection services for new development activity.

Fuel costs are another major expenditure and vary with the cost of oil. In 2017, the City spent \$197,000 on fuel and will spend \$256,700 in 2022. Fuel costs vary closely with the price of oil. This demonstrates the impact of volatile fuel prices on the City's operating costs.



The City's aging municipal building inventory will require more maintenance costs, which can be seen in the steady rising facility charges.



City of Franklin, WI  
 Gen Fund Expenditures by Expense Category  
 2023 Budget

	2014	2015	2016	2017	2018	2019	2020	2021	2022 Budget	2022 Projection	2023 Budget
Wages	13,035,815	13,617,678	14,121,239	14,507,032	14,723,472	14,855,011	15,563,964	15,833,703	16,945,711	17,776,091	17,548,105
Benefits	5,159,972	5,180,308	4,913,436	5,862,487	5,231,047	5,189,018	5,244,208	5,088,665	5,466,885	5,660,340	5,324,683
<b>Total Personnel Costs</b>	<b>18,195,787</b>	<b>18,797,986</b>	<b>19,034,675</b>	<b>20,369,519</b>	<b>19,954,519</b>	<b>20,044,029</b>	<b>20,808,172</b>	<b>20,922,368</b>	<b>22,412,596</b>	<b>23,436,431</b>	<b>22,872,788</b>
Pct Inc (Dec)		3 31%	1 26%	7 01%	-2 04%	0 45%	3 81%	0 55%	7 71%	12 63%	9 32%
CONTRACTUAL SERVICES	1,676,058	1,878,021	2,127,643	1,786,293	2,190,794	2,637,356	2,436,832	2,391,400	2,466,246	2,307,580	2,497,850
SUPPLIES	1,268,569	874,098	985,440	1,005,337	994,711	1,343,997	1,103,237	1,467,317	1,577,940	1,505,725	1,617,335
SERVICES & CHARGES	451,527	468,261	469,664	479,639	500,408	543,339	542,847	539,730	622,672	592,922	618,162
FACILITY CHARGES	1,178,300	1,050,734	1,134,168	1,164,133	1,165,445	1,131,743	1,175,481	1,246,574	1,339,875	1,278,140	1,359,340
CLAIMS, CONTRIB AND AWARD:	16,064	19,651	19,799	21,382	26,263	27,429	4,197	14,069	35,400	28,400	91,600
PRINCIPAL	12,126	12,482	12,567	11,572							
INTEREST											
CAPITAL OUTLAY							96,021				25,000
<b>Total Expenditures</b>	<b>4,602,644</b>	<b>4,303,247</b>	<b>4,749,281</b>	<b>4,468,356</b>	<b>4,877,621</b>	<b>5,683,864</b>	<b>5,358,615</b>	<b>5,659,090</b>	<b>6,042,133</b>	<b>5,712,767</b>	<b>6,209,287</b>
		-6 50%	10 37%	-5 92%	9 16%	16 53%	-5 72%	5 61%	12 76%	6 61%	9 72%
CONTINGENCY	68,045	28,315	9,988		1,200			0	2,235,000	(365,000)	2,325,000
TRANSFERS OUT	24,000	574,000	1,250,025	57,138	84,000	52,100	48,379	374,000	24,000	24,000	24,000
<b>Total Expenditures</b>	<b>22,890,476</b>	<b>23,703,548</b>	<b>25,043,969</b>	<b>24,895,013</b>	<b>24,917,340</b>	<b>25,779,993</b>	<b>26,215,166</b>	<b>26,955,458</b>	<b>30,713,729</b>	<b>28,808,198</b>	<b>31,431,075</b>



**City of Franklin, WI**  
**Gen Fund Benefit Cost by type**  
**2023 Budget**

	2018	2019	2020	2021	2022 Budget	2022 Projected	2023 Budget
GROUP HEALTH & DENTAL	2,366,008	2,307,095	2,321,994	2,057,610	2,168,321	2,369,548	2,248,458
RETIREMENT	1,370,847	1,482,816	1,813,027	1,631,221	1,716,866	1,905,231	1,919,912
FICA	1,085,726	1,084,338	1,137,569	1,164,204	1,282,094	1,316,297	1,330,538
WORKERS COMPENSATION INS	376,184	389,671	240,944	453,339	470,477	451,640	340,239
RETIREE GROUP HEALTH	428,250	363,281	705,524	316,762	425,570	158,551	159,816
LIFE INSURANCE	44,250	44,564	52,014	53,467	60,881	63,071	63,578
COLLEGE INCENTIVE	4,308	3,972	4,050	3,960	8,496	3,962	3,962
COVID LABOR & BENES NOT GRANT FUNDED			108,059	-	-	-	-
EMPLOYER HSA CONTRIBUTION		1,375	4,127				
RECRUITING COSTS	14,285	446	36,758	-	-	15,000	10,000
VEHICLE ALLOWANCE	9,200	8,800	11,600	12,400	14,400	14,400	14,400
Total	5,699,058	5,686,358	6,435,666	5,692,963	6,147,105	6,297,700	6,090,903
Allocations	(468,011)	(497,340)	(1,191,458)	(604,298)	(680,220)	(637,360)	(766,220)
Net Benefit Costs	5,231,047	5,189,018	5,244,208	5,088,665	5,466,885	5,660,340	5,324,683

2017 - \$640k of extra Pub Wrk Pens Cont

2020 - \$325 extra to OPEB Trust + \$325k to Pub Wrks Pens

**Benefit Costs**

