



# 2025 Mayor's Budget: Priorities & Highlights

Presented November 19, 2024, Franklin City Hall

Image: Kayla's Playground (Franklin Landmark)

# 2025 BUDGET PROCESS TO DATE

- September 17: Budget presented after months of preparation
- September–October: Four Finance Committee meetings held
- October 15 & November 6: Common Council adopted updates
- October 30: Public hearing notice published
- November 19: Public hearing and budget adoption.





**MAJOR HIGHLIGHTS OF THE 2025 RECOMMENDED  
BUDGET**

# CHALLENGES

- Delayed Statement of Assessment impacts tax rate determination
- Revenue growth from state sources lags behind inflation
- Economic pressures and development delays increase budget constraints
- Commitment to maintaining high service standards despite staffing needs and limitations



# TAX LEVY

- Net New Construction: \$97M (1.58%) contributes \$155,000 in levy funds
- Overall PRELIMINARY Levy Increase: \$432,800 (+2.9%)
- Property Equalized Value: Average residential increase of ~6%



# TAX RATE

2024 Preliminary Assessed Tax Rate:

\$3.90 per \$1,000 value—a \$0.15 decrease from 2023

## AVERAGE RESIDENT TAX IMPACT

Per \$100,000 of Assessed Value		
	2023	2024
Home Value	\$100,000	\$106,700
Tax Rate	\$4.050261	\$3.904946
Tax	\$405.03	\$416.66
Tax Inc (Dec)		\$11.64
<b>Percentage Change in Tax</b>		<b>2.9%</b>

## Assessed Tax Rate - City Portion



\*Final tax rate to be confirmed in December



# GENERAL FUND

- State Shared Revenue: \$875,000 (+\$20,000 from 2024)
- Do not qualify for expenditure restraint program: Tax rate <\$5.00/\$1,000 of value
- Balanced budget with minimal fund balance use for 2025 WisDOT projects
- Personnel Costs: +\$665,000 for a 2% non-represented wage increase and market adjustments. No new positions added
- General Fund Details
  - Revenues increased by \$622,000
  - Expenditures increased by \$622,000 = a balanced budget

# MAIN POINTS

- Capital spending/department requests of ~\$17.9 Million / Planned use of ~\$8.1 Million of Resources allocated to the Capital Funds
- No extraordinary contributions are required for the OPEB Trust
- No new general borrowing is planned for 2025 at this current time – DPW Expansion Project and other projects may require a borrowing
- No change in the solid waste fee that is projected in 2025
- A major update to the City’s Unified Development Ordinance (UDO), which defines the zoning, development, and land division regulations





# PLANNED CHANGES

- Sewer rate increase expected (TBD) due to rising MMSD costs
- Implement ClearGov digital budgeting software
- Develop an Employee Merit Pool Policy



## 2025 DEBT SERVICE FUND

- Debt Service Levy: \$1.14M (+\$40,000)
  - Future borrowing is required for large-scale capital projects
- Multiple funding sources for existing general obligation debt:
  - General City funds, Water, Sewer, TID
- Expecting debt shortfall in TIDs – Ensuring that developers are aware and funds will be forthcoming
  - Assessment timing issue in 2024/2025 that will be corrected in 2025/2026
- Maintain a future borrowing plan in concert with the Capital Improvement Plan
- One-time, large projects will require increased borrowing compared to the current plan





QUESTIONS?

# COMMON COUNCIL APPROVED CHANGES TO THE RECOMMENDED BUDGET

## Debt Service

	Revenues	Expenditures	Net
	\$ 1,577,919	\$ 1,476,138	\$ 101,781
Changes	\$ (100,000)	\$ -	
	\$ 1,477,919	\$ 1,476,138	\$ 1,781 Addition to Fund Balance

## Capital Outlay

	Revenues	Expenditures	Net
	\$ 1,012,000	\$ 1,229,204	\$ (217,204)
Changes	\$ -	\$ (63,755)	
	\$ 1,012,000	\$ 1,165,449	\$ (153,449) Use of Fund Balance

## Capital Improvement

	Revenues	Expenditures	Net
	\$ 3,911,600	\$ 2,600,000	\$ 1,311,600
Changes	\$ (1,142,200)	\$ 169,400	
	\$ 2,769,400	\$ 2,769,400	\$ - Balanced Budget

## Street Improvement

	Revenues	Expenditures	Net
	\$ 2,343,900	\$ 2,340,000	\$ 3,900
Changes	\$ 16,000	\$ 16,000	
	\$ 2,359,900	\$ 2,356,000	\$ 3,900 Addition to Fund Balance

## Impact Fee Development Fund

	Revenues	Expenditures	Net
	\$ 1,010,000	\$ 1,333,018	\$ (323,018)
Changes	\$ 675,000	\$ -	
	\$ 1,685,000	\$ 1,333,018	\$ 351,982 Addition to Fund Balance

## General Fund

	Revenues	Expenditures	Net
	31,606,425	34,106,425	-2,500,000
Changes	\$ (170,898)	\$ 170,898	
	\$ 31,435,527	\$ 33,935,527	\$ (2,500,000) Balanced Budget

## Sewer Fund

	Revenues	Expenditures	Net
	6,813,076	7,185,260	-372,184
Changes	\$ 521,500	\$ 279,431	
	\$ 7,334,576	\$ 7,464,691	\$ (130,115) Use of Fund Balance



## PROPOSED AMENDMENTS

Amendment #1: Add \$750,000 resources/expenditures for TID #9 Sewer Project

Amendment #2: Adjust 2% wage increase allocation across funds

Amendment #3: Add \$25,000 levy resources for the Library Department

Amendment #4: Align Civic Celebrations Fund with contract approvals

QUESTIONS?

