

**VILLAGE OF ARENA
2022 PROPOSED BUDGET**

Notice is hereby given that a Public Hearing on the Proposed 2022 Budget for the Village of Arena will be held at 7:00 p.m. on
Tuesday, November 2, 2021 at the Village Hall located at 345 West Street, Arena, WI
Detailed copies of proposed budget will be available for review at Village Office during regular office hours.

The following is a summary of the proposed 2022 budget:

GENERAL FUND	2020 ACTUAL	2021 BUDGET	9/30/21 YTD	2021 EST	2022 BUDGET	% CHANGE
REVENUES:						
TAXES, GENERAL PROPERTY	\$433,960	\$439,244	\$439,316	\$439,316	\$439,244	0.00%
TAXES, OTHER	\$28,535	\$27,750	\$0	\$27,750	\$27,750	
INTERGOVERNMENTAL REVENUES	\$158,328	\$160,162	\$66,494	\$160,746	\$163,617	
LICENSES AND PERMITS	\$11,915	\$20,200	\$23,192	\$22,775	\$10,488	
FINES AND FORFEITURES	\$6,461	\$10,000	\$6,936	\$7,000	\$10,000	
PUBLIC CHARGES FOR SERVICES	\$15,934	\$18,175	\$15,082	\$18,456	\$15,550	
MISCELLANEOUS REVENUES	\$44,249	\$29,292	\$24,118	\$29,496	\$23,200	
OTHER FINANCING SOURCES	\$65,979	\$0	\$0	\$0	\$0	
CASH ON HAND			\$0	\$0	\$9,000	
TOTAL REV. & CASH BALANCE APPL.	<u>\$765,359</u>	<u>\$704,823</u>	<u>\$575,138</u>	<u>\$705,539</u>	<u>\$698,849</u>	-0.85%
EXPENDITURES:						
GENERAL GOVERNMENT	\$122,167	\$115,899	\$74,767	\$108,726	\$112,907	
PUBLIC SAFETY	\$293,714	\$311,392	\$236,060	\$304,877	\$292,801	
PUBLIC WORKS	\$147,936	\$167,105	\$94,473	\$143,903	\$186,061	
CULTURE & RECREATION	\$32,606	\$26,165	\$18,497	\$25,790	\$29,042	
PLANNING & DEVELOPMENT	\$369	\$500	\$246	\$500	\$500	
CAPITAL OUTLAY	\$156,329	\$6,538	\$0	\$0	\$3,664	
DEBT SERVICE	\$78,170	\$77,224	\$77,219	\$77,219	\$73,874	
TRANSFER TO OTHER FUNDS	\$0	\$0	\$0	\$0	\$0	
TOTAL EXPENDITURES	<u>\$831,290</u>	<u>\$704,823</u>	<u>\$501,261</u>	<u>\$661,015</u>	<u>\$698,849</u>	-0.85%

ALL GOVERNMENTAL AND PROPRIETARY FUNDS COMBINED:

	2022 FUND BAL. 1/1/22	2022 TOTAL REVENUES	2022 TOTAL EXPEND.	PROPERTY FUND BAL 12/31/2022	PROPERTY TAX CONTRIB.	
GENERAL FUND	\$220,061	\$689,849	\$698,849	\$211,061	\$439,244	
TAX INCREMENTAL DISTRICT FUND	\$532,068	2,227,142	2,021,791	\$737,419	226,586	estimate
WATER UTILITY	\$282,802	\$164,546	\$154,028	\$293,320	\$0	
SEWER UTILITY	\$415,789	\$253,810	\$170,993	\$498,606	\$0	
	<u>\$1,450,720</u>	<u>\$3,335,347</u>	<u>\$3,045,661</u>	<u>\$1,740,406</u>	<u>\$665,830</u>	

Outstanding Debt

	12/31/19	12/31/20	12/31/21
General Fund	\$ 77,796	\$ 347,141	\$ 342,742
* TIF	\$ 82,571	\$ 55,066	\$ 2,993,627
Water Fund	\$ 89,547	\$ 72,053	\$ 53,625
Sewer Fund	\$ 45,001	\$ 24,294	\$ 10,752
TOTAL DEBT	\$ 294,915	\$ 498,554	\$ 3,400,746

*Note: Took out Interim Financing for water & sewer projects

	2020 ACTUAL	9/30/21 YTD	2021 EST	2021 BUDGET	2022 ADOPTED BUDGET
GENERAL FUND					
REVENUES:					
TAXES, GENERAL PROPERTY	460,995	439,316	439,316	439,244	439,244
PAYMENT IN LIEU OF TAXES	1,500	-	1,500	1,500	1,500
TAXES FROM WATER UTILITY	27,034.58	-	26,250.00	26,250.00	26,250.00
TOTAL TAXES	\$ 489,529	\$ 439,316	\$ 467,066	\$ 466,994	\$ 466,994
STATE SHARED REVENUE	\$ 99,006	\$ 30,377	\$ 114,527	\$ 114,527	\$ 114,334
STATE PERSONAL PROPERTY AID	\$ 297	\$ 146	\$ 146	\$ 145	\$ 296
STATE FIRE INSURANCE REVENUE	2,187	2,441	2,441	2,187	2,440
CABLE TV FRANCHISE FEE	2,712	2,735	2,735	2,411	2,735
STATE AID EXEMPT COMPUTERS	98	98	98	97	97
STATE TRANSPORTATION AIDS	34,304	29,587	39,449	39,449	42,689
STATE LAW ENFORCEMENT GRANT	4,480	-	240	240	240
STATE RECYCLING GRANT	1,106	1,110	1,110	1,106	1,110
OTHER STATE GRANTS	14,138	-	-	-	-
TOTAL INTERGOVERNMENTAL	\$ 158,328	\$ 66,494	\$ 160,746	\$ 160,162	\$ 163,941
LIQUOR & MALT BEVERAGE LICENSE	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400
OPERATOR'S LICENSE	355	485	465	300	360
CIGARETTE LICENSE	200	200	200	200	200
DOG LICENSES VILLAGE SHARE	536	614	610	400	600
OTHER PERMITS/LICENSES	-	-	-	-	250
BUILDING PERMITS & INSPECTIONS	8,423	17,493	17,500	16,500	6,678
ZONING PERMITS & FEES	-	2,000	1,600	400	-
TOTAL LICENSES and PERMITS	\$ 11,915	\$ 23,192	\$ 22,775	\$ 20,200	\$ 10,488
COURT PENALTIES & COSTS	\$ 6,461	\$ 6,936	\$ 7,000	\$ 10,000	\$ 10,000
TOTAL FINES and FORFEITURES	\$ 6,461	\$ 6,936	\$ 7,000	\$ 10,000	\$ 10,000
GENERAL GOVERNMENT/CLERK FEES	217	428	410	400	400
LAW ENFORCEMENT FEES	-	-	-	-	-
RECYCLING FEES	12,587	9,233	13,000	13,000	13,000
PARK & RECREATION FEES	2,530	5,111	4,761	4,575	1,950
PARK SHELTER RENTAL FEES	600	300	275	200	200
TOTAL PUBLIC CHARGES FOR SERVICE	\$ 15,934	\$ 15,072	\$ 18,446	\$ 18,175	\$ 15,550
INTEREST INCOME	\$ 3,476	\$ 229	\$ 300	\$ 3,500	\$ 400
INTEREST ON SPECIAL ASSESSMENT	288	422	422	-	-
CELL TOWER RENT	21,666	16,500	21,800	21,800	\$ 21,800
SALE OF EQUIPMENT	7,515	-	-	-	\$ -
DONATIONS	5,677	1,992	2,000	1,992	\$ -
INSURANCE DIVIDENDS	3,994	4,474	4,474	-	\$ -
MISC REVENUE	1,633	503	500	2,000	\$ 1,000
OTHER FINANCING SOURCES	65,979	-	-	-	\$ -
TOTAL MISC REVENUE	\$ 110,227	\$ 24,118	\$ 29,496	\$ 29,292	\$ 23,200
CASH BALANCE APPLIED	\$ 47,028	\$ -	\$ -	\$ -	\$ 9,000
TOTAL REV. & CASH BALANCE APPL	\$ 839,421	\$ 575,128	\$ 705,529	\$ 704,823	\$ 699,173

EXPENDITURES:

BOARD & COMMITTEE SALARIES/TRAIN	\$ 8,457	\$ 4,525	\$ 7,455	\$ 7,341	\$ 8,327
LEGAL	11,276	2,792	5,000	10,000	10,000
CLERK	33,408	22,394	34,069	34,058	34,120
ELECTIONS	11,242	1,059	1,405	1,400	2,550
ACCOUNTING	13,239	10,230	10,230	9,623	11,500
ASSESSMENT OF PROPERTY	2,422	6,250	8,450	8,450	6,380
VILLAGE HALL	6,879	11,145	15,677	15,477	11,630
INSURANCE	26,645	16,373	20,400	23,200	28,400
TOTAL GENERAL GOVERNMENT	\$ 113,568	\$ 74,767	\$ 102,686	\$ 109,549	\$ 112,907
LAW ENFORCEMENT	\$ 188,396	\$ 133,169	\$ 173,801	\$ 175,713	\$ 174,999
PUBLIC FIRE PROTECTION-HYDRANT	56,896	56,896	56,896	56,896	56,896
FIRE PROTECTION	27,650	15,172	27,905	27,649	24,782
AMBULANCE/EMS	12,148	15,132	30,275	35,234	30,230
INSPECTIONS - BUILDING	8,624	15,691	16,000	15,900	5,894
TOTAL PUBLIC SAFETY	\$ 293,714	\$ 236,060	\$ 304,877	\$ 311,392	\$ 292,801
ENGINEERING	320.00	-	-	1,000.00	1,000.00
PUBLIC WORKS GARAGE	\$ 8,978	\$ 4,655	\$ 7,200	\$ 7,200	\$ 4,100
STREET MAINT.	60,652	29,751	53,230	76,005	92,458
SNOW & ICE REMOVAL	3,647	3,411	3,900	6,300	6,120
STREET CONSTRUCTION	195	416	562	1,955	573
STREET LIGHTING	12,553	8,888	13,400	13,400	13,400
STREET SIGNS	-250	0	300	300	300
SIDEWALKS	0	1,266	1,266	0	0
REFUSE&GARBAGE COLLECTION	37,931	26,907	38,650	38,650	39,050
RECYCLING EXPENDITURES	12,982	9,741	13,175	13,175	13,400
YARD WASTE	10,928	9,437	12,220	9,120	15,660
WEED&NUISANCE CONTROL	0	0	0	0	0
TOTAL PUBLIC WORKS	\$ 147,936	\$ 94,473	\$ 143,903	\$ 167,105	\$ 186,061
PARK MAINTENANCE	\$ 32,606	\$ 18,497	\$ 25,790	\$ 26,165	\$ 29,042
TOTAL CULTURE and REC	\$ 32,606	\$ 18,497	\$ 25,790	\$ 26,165	\$ 29,042
PLANNING - LONG RANGE	\$ 369	\$ 246	\$ 500	\$ 500	\$ 500
TOTAL PLANNING and DEVELOPMENT	\$ 369	\$ 246	\$ 500	\$ 500	\$ 500
PRINCIPAL ON LOANS	\$ 65,334	\$ 68,338	\$ 68,338	\$ 68,339	\$ 63,989
INTEREST ON LOANS	12,837	8,880	8,880	8,885	9,885
TOTAL DEBT SERVICE	\$ 78,170	\$ 77,219	\$ 77,219	\$ 77,224	\$ 73,874
TECHNOLOGY CAPITAL OUTLAY	\$ -	\$ -	\$ -	\$ -	\$ -
POLICE DEPT - Cap Outlay	\$ 47,220	\$ -	\$ -	\$ 3,000	\$ 3,664
STREET MACHINERY - Capital	\$ -	\$ -	\$ -	\$ -	\$ -
STREETS - Capital	\$ -	\$ -	\$ -	\$ -	\$ -
EQUIPMENT/BLDG- Capital Acct	\$ -	\$ -	\$ -	\$ -	\$ -
PARK EQUIPMENT - Captial	\$ -	\$ -	\$ -	\$ 3,538	\$ -
LRP Capital Improvements	\$ 109,109	\$ -	\$ -	\$ -	\$ -
TOTAL CAPITAL OUTLAY	\$ 156,329	\$ -	\$ -	\$ 6,538	\$ 3,664
TRANSFER TO OTHER FUNDS	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 822,692	\$ 501,261	\$ 654,975	\$ 698,473	\$ 698,849



Village of Arena

2022 Proposed Budget

The Village of Arena presents a balanced 2022 Proposed budget and in accordance with Wisconsin State Statutes. The submitted budget makes the difficult decisions on which priorities to fund, and which must be delayed to future years, in order to maintain a balanced and financially sound budget.

The 2022 Budget represents four important purposes:

- It is a policy document that is developed by the Village Board to provide direction on where the Village is moving and what it prioritizes.
- It is a financial plan that defines the various sources of funds to be collected, both internal and external to the community, as well as the services, programs, and activities that the citizens can expect to be provided.
- It is an operational guide for staff on how programs and activities are structured.
- It is a communication tool providing the public and other entities with a better understanding of how the Village's finances are structured and what those finances pay for.

Looking Back at 2021

- Approved TIF plan to include ½ mile radius of the village so that utility projects could be completed with TID funds. Extended the Tax Increment District from 9/2026 – 9/2033 with a standard 3-year extension and a 3-year Tech College extension.
- Received a WEDC grant for \$250,000 to assist ACES in development of the old elementary school into apartments, food pantry and historical society.
- Received Recreational Trails Program (RTP) grant for the West Park ramp to the fishpond in the amount of \$3,952. With donations received, the project has enough funds to be completed in 2022.
- Cleaned the outside of the water tower and painted the wellhouse.
- Completed crack filling on Lois Lane, Thomas Place, Sharon St (west of Village Edge), Prairie Street and bike path.
- Purchased a back-up system for the server. This will allow the village to retrieve computer information that maybe hacked or lost due to damage.
- Received \$43,280.45 in American Rescue Plan Act (ARPA) to be used for designated items per U.S. Treasury. Currently spent \$6,425.86 on essential workers that worked during the pandemic and \$2,500 on a plan for ditch drainage project.

- The Village took out TIF interim financing – water utility anticipation revenue notes in the amount of \$1,994,000 to construct a second well. This was recommended by the DNR, to promote economic growth and to ensure the village isn't without water due to equipment failure of first well. Project to be completed in 2023.
- The Village took out TIF interim financing – sewer utility anticipation revenue notes in the amount of \$964,500 to construct new gravity sewer to Pine Street Lift Station & Abandon/Remove South Street Lift Station and to line the sewer mains to help decrease infiltration of ground water. Project to be completed end of 2022.

State Funding Limitations

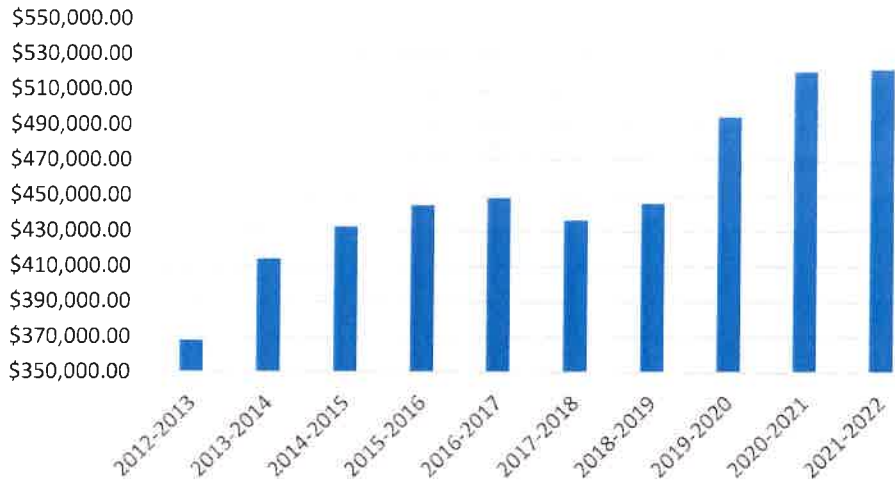
The 2022 Budget presents similar funding challenges to those experienced in 2021 due to tax levy limits and expenditure restraints to meet the State's ERP program eligibility requirements. Net new construction for the Village is 0.36% (down 2.51% from 2021). Based on growth, the total allowable tax levy for 2022 is \$372,377 or a 0.31% increase compared to the 2021 levy amount. As such, the total allowable levy increase for the Village in the 2022 Budget is \$1,186 (not accounting for debt service). Table 1 and Figure 1 compare the Village's tax levies history, without tax increment financing (TIF)/Debt service and with TIF included, respectively.

Table 1: Total Village Tax Levy 2018-2022

Total Tax Levy (w/o TIF)	2018	2019	2020	2021	2022	2022 Change over 2021
	\$351,569.00	\$356,577.00	\$360,977.00	\$371,191.00	\$372,377.00	\$1,186.00
						0.31%
Levy Increase (w/o debt)	\$4,313.00	\$5,008.00	\$4,400.00	\$10,214.00	\$1,186.00	-\$9,028.00
						-88%

The limited additional levy amount for FY 2022 means there is limited opportunity to fund new initiatives. Each Village Department had additional requests not included in the recommended budget to the levy limit.

Figure 1: Village Tax Levy History 2012 - 2022



The Village experienced decrease in net new construction over the past year. Below, you will find a historical trend of net new construction in the Village. The Village captures additional revenue once the structures or projects are completed and their values are included on the tax rolls.

Figure 2: Net New Construction 2012 – 2021 (Summary of trends of growth)

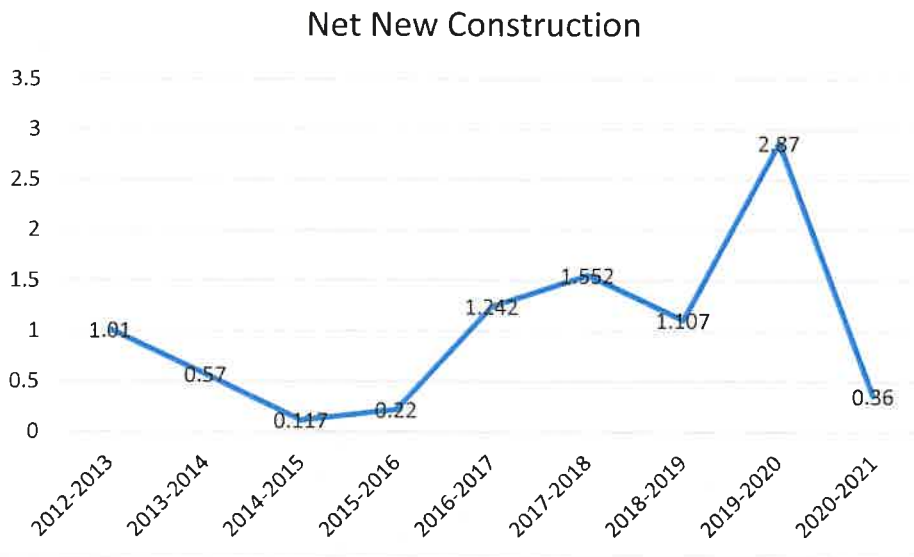


Figure 3 below compares the Village's Assessed versus Equalized Values, which is a determining factor in the amount of property taxes the Village can levy in a given year.

Figure 3: Village Assessed vs Equalized Values

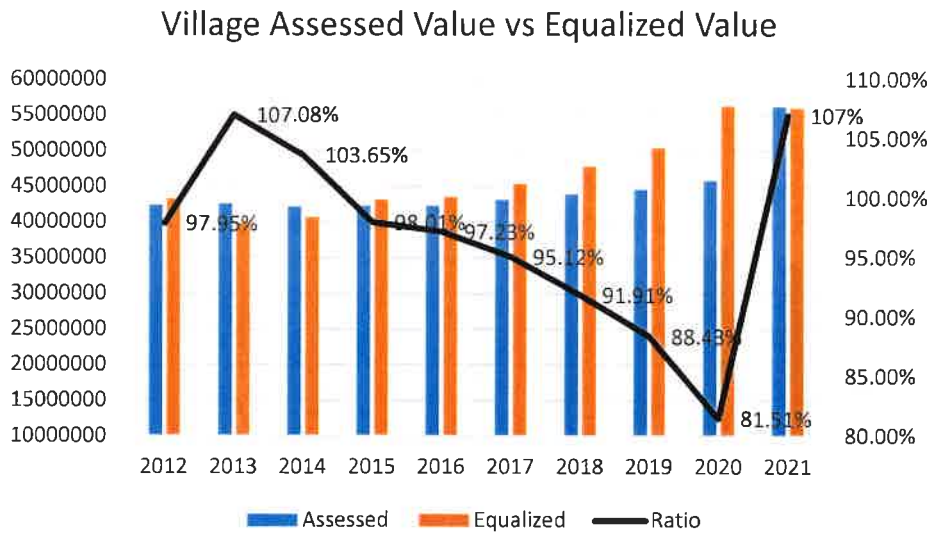
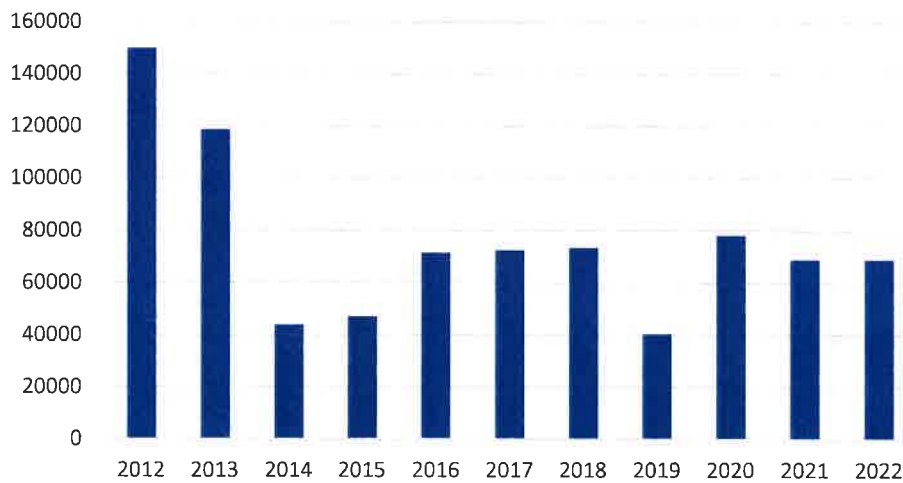


Figure 4: Debt Service Levy 2017-2022

In FY 2022, the Village's debt service levy will stay the same. There is one larger street project planned for Village Edge Road with grants applied for. This borrowing will be authorized at a later date.

Debt Service Levy	2017	2018	2019	2020	2021	2022
	\$72,607.00	\$73,553.00	\$40,548.00	\$78,170.00	\$69,030.00	\$69,030.00

Debt Service Levy



Budget Highlights – Taxes and Rates

- The tax levy (excluding debt) increased \$1,186 compared to 2021.
- Debt service levy decreased by \$3,350 (5%) compared to 2021 due to Fire Station loan paid off.
- The proposed budget includes \$3,644 Capital Police Outlay but nothing for buildings or equipment. Due to levy limits, it is impractical for the Village to save adequate funds each year to fund the purchase of vehicles/facility improvements. This would transition to funding such purchases through shorter term borrows.
- The Wisconsin Department of Revenue Expenditure Restraint Program (ERP) percentage for 2022 is 3.2%. The 2022 Budget is under the required ERP threshold at 3.18%. Will receive ERP in the amount of \$15,331 in 2022.
- State Shared Revenue stayed the same from 2019 at \$99,001.
- State Highway Aid is up \$3,240 from 2021 at \$42,689 due to the addition of Nightengale Ct & Morning Dove Ct.
- The Assessed Value for the community is \$56,316,650, up \$10,411,450 from 2020.

Budget Highlights – General Fund

- Wisconsin Retirement System contribution rate decreased to 6.5% from 6.75% for general employees and 11.84% to 12.04% for police.
- Excellent public service can only be made available by dedicated and talented staff. Employees received a 4.2% increase per performance evaluations. Funding of health insurance for employees remains non-fundable.
- The Village's contribution to the Arena Fire Department's operating budget of 23.8% of total 2022 budget was approved at \$22,597, decrease from 2021 from 27%.
- Arena EMS will continue with two full-time staff, at 40% or \$30,227 of the total wages/benefits. (based on call volume)
- Revaluation of properties was completed in 2021. Current ratio is at 107%. A revaluation seeks to spread the tax burden equitably within a municipality. Real property must be assessed at the same standard of value to ensure that every property owner is paying his or her fair share of the property tax.

Budget Highlights – Utilities

- Review of current rates for water and sewer services were completed in 2021. Increase in both will be needed in 2023 to help cover loans for the water & sewer projects.
- Lining of the sewer mains will help with the Inflow & Infiltration of water into the sewer system to help decrease amount of water that must be treated to assist with lowering rates.
- Continue residential and commercial cross-control inspection program.

Conclusion

The 2022 Budget effectively supports the community's goals with the context of the existing funding limitations. The 2022 Budget allows the Village to continue to efficiently provide essential services for the citizens of Arena.