City of Baraboo
Debt Service Levy

Summary of What Has Been Done

- The City has levied for both General Fund and TID Debt
  - TID Debt has been paid for by the TID's themselves or by donating to one another
- The Council and the Public have only been shown the General Fund Debt
  - TID Debt that was levied for was presented as part of the General Levy
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- TID 6 and TID 8 Debt are planned to be retired in 2022, creating a substantial shortfall in our budget

What is the Excess Levy (Started in 2009)

Year	Levy Limit Claimed To the State	Actual City Obligation	Excess
2021	$2,716,193	$1,896,224	$819,969
2020	$2,716,193	$1,903,432	$812,761
2019	$2,552,945	$1,740,437	$812,508
2018	$2,358,339	$1,545,832	$812,507
2017	$2,459,684	$1,647,175	$812,509
2016	$2,000,260	$1,264,834	$735,426
2015	$1,828,130	$1,153,703	$674,427
2014	$1,832,336	$1,216,121	$616,215
2013	$1,650,392	$1,259,754	$390,638
2012	$1,515,964	$1,195,210	$320,754

Why was it Difficult to Identify Internally?

- The City has a number of debt issuances that were refunded into a single debt issuance
- The TID Debt is also GO Debt so it also qualifies to be levied for if the city needs to make the payments for the debt
- To provide an example
  - In 2012 the City refunded bonds which have become “Refunding Bonds 2012A”
  - Total Payment on 2012 A Bonds for 2022 is $485,000 principal and $47,401 in interest
  - Of that the General Fund is responsible for $110,000 in principal and $9,920 in interests, TID 6 is $80,000 principal and $2,775 interest, TID 7 is $195,000 principal and $23,641 in interest and TID 8 is $100,000 principal and $11,065 in interest

Why is it Difficult to Identify Externally?

- What was presented to Council and published as the public notice did not match what was submitted to the state:
  - 2021 Budget Publication 2021 Levy Limit Worksheet
  - 2020 Budget Publication 2020 Levy Limit Worksheet
  - 2019 Budget Publication 2019 Levy Limit Worksheet

  Examples:

Year	General Levy Published	Debt Published	General Actual	Debt Actual
2021	$7,121,399	$1,849,078	$6,251,690	$2,718,782
2020	$7,049,090	$1,740,437	$6,236,379	$2,552,945
2019	$7,082,152	$1,438,225	$6,140,388	$2,363,073

What has happened with the excess funds?

- The excess funds have been used to fund City Operations
- This means the City has $819,969 funding operation in 2022 that is actually excess levy that will go away when the TID Debt is paid off
- The Department of Revenue Guidance on this is very clear, from the Municipal Levy Limit Worksheet Instructions, Section D: Adjustments to Levy Limit, Line E "enter the debt service levy for general obligation debt authorized after July 1, 2005. This amount is upcoming scheduled principal and interest payments; **only report the amount that needs to be funded by levy**."

What is going to happen?

- We will be paying off TID 6 and TID 8 Debt in 2022
- We asked Ehlers to Model our anticipated levy through 2024 when TID 6 closes
- Ehlers analysis is right in line with our internal estimates
  - 2022 Levy $8,999,901
  - 2023 Levy $8,174,607
  - 2024 Levy $8,216,784
- This does factor in an estimate of .25% of new growth each year as well. So despite cost increases in excess of the .25% growth we will still experience loss $825,294 in 2023 and gain a small amount back in 2024 of $42,177

What does this mean?

- We have to cut at least $825,294 from our 2022 budget to get a balanced budget in 2023.
- This still does not address the lack of funding for Capital equipment or the natural growth in costs.

Thoughts or Ideas on how to address this?

- What was discussed with department heads:
  - Do we want a universal hiring freeze implemented?
    - Could be uneven in how it impacts departments
  - Do we want each department head to propose their own budget cuts?
    - What would a timeline look like if we go this route?
- What the group agreed to for plans:
  - Each department will come back by May with recommended cuts for their department with the goal of the amount on the next slide

Basis of Percentage of Levy?

Department	Percent of Levy	Cut	Department	Percent of Levy	Cut
Clerk	1%	$8,230	Police	37%	$305,110
Finance	3%	$24,902	Fire	9%	$71,124
Treasurer	1.05%	$8,707	Engineering	3%	$23,184
Municipal Building	3.5%	$28,787	Inspection/Zoning	-.09%	$0
Other Gen. Gov	.03%	$257	Streets	21%	$169,828
Attorney	1.07%	$8,798	Library	6%	$46,753
Administrator	2.3%	$19,005	Parks	12%	$100,182
Personnel/Safety	.06%	$529	Recreation	1.5%	$12,207
Planning	.61%	$5,033			
Economic Development	.43%	$3,554			