



Long-Range Financial Plan 2021-2030

Updated December 15, 2020



Plan Objectives

The Long-Range Financial Plan provides a roadmap for the financial objectives listed below:

1. Plan for rising costs of operations and capital improvement needs, while:
2. Maintaining a stable property tax rate;
3. Maintaining a General Fund balance that meets our Fund Balance Policy (25% of prior year expenditures); and,
4. Meeting the goal of our Debt Policy as it relates to General Obligation debt limits (75% or less of statutory limit).

The plan considers many different factors that are difficult to predict—for this reason, the plan should be revisited to reflect events and changing conditions. It should also be noted that the plan lists projects and activities that are contemplated but have not been fully vetted or approved by the necessary decision-making bodies. For this reason, the plan should be viewed as a guide for how the Village’s financial objectives can be maintained IF certain activities were pursued.

The original plan was adopted by the Village Board on August 16, 2020. It was updated by staff on December 15, 2020 to incorporate the 2021 Budget, updated capital plans and 2020 projected figures.

Long-Range Financial Plan (2021-2030)
General Fund

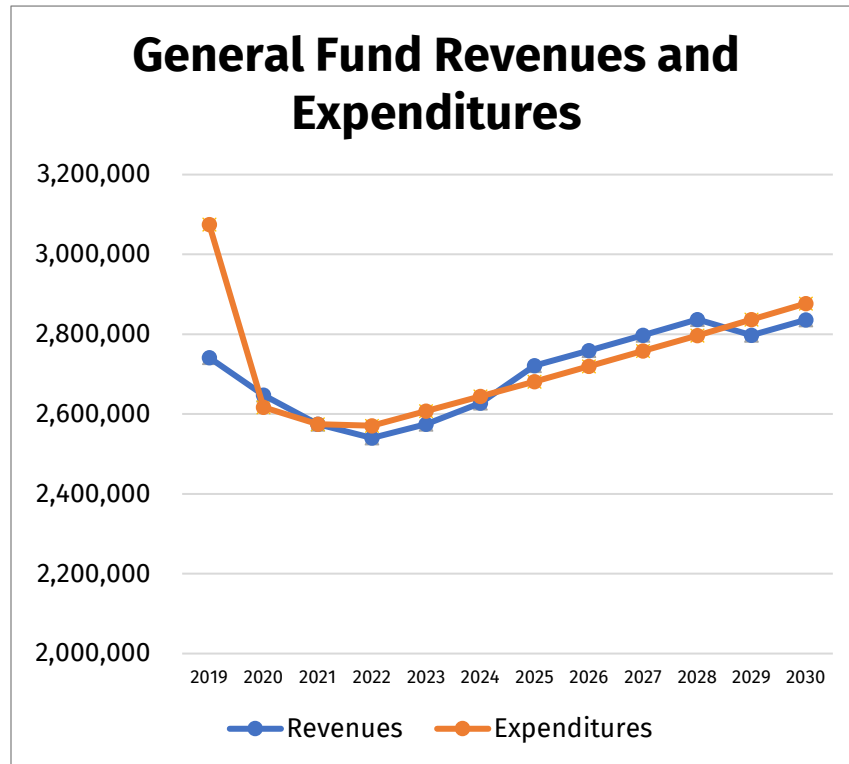


	Audited	Projected	Budget	Projected								
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
GENERAL FUND												
Revenues												
Property Taxes	1,344,852	1,318,328	1,344,710	1,300,000	1,326,000	1,370,000	1,455,000	1,484,100	1,513,782	1,544,058	1,495,000	1,524,900
Special Assessments	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	714,252	753,060	647,561	654,037	660,577	667,183	673,855	680,593	687,399	694,273	701,216	708,228
Licenses and Permits	285,192	227,898	212,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Fines, Forfeitures & Penalties	78,847	42,000	65,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Public Charges for Services	1,056	686	750	750	750	750	750	750	750	750	750	750
Investment Income	38,114	16,349	20,350	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Miscellaneous Revenue	83,448	85,689	81,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Total Revenues	2,545,761	2,444,010	2,371,371	2,334,787	2,367,327	2,417,933	2,509,605	2,545,443	2,581,931	2,619,081	2,576,966	2,613,878
Expenditures												
General Government	575,196	666,598	599,852	608,850	617,983	627,252	636,661	646,211	655,904	665,743	675,729	685,865
Public Safety	1,011,550	981,204	942,469	956,606	970,955	985,519	1,000,302	1,015,307	1,030,536	1,045,994	1,061,684	1,077,610
Public Works	760,475	713,961	777,584	789,248	801,086	813,103	825,299	837,679	850,244	862,998	875,943	889,082
Health & Human Services	47,321	49,658	53,216	54,014	54,824	55,647	56,482	57,329	58,189	59,062	59,947	60,847
Conservation & Development	43,292	19,000	12,000	12,180	12,363	12,548	12,736	12,927	13,121	13,318	13,518	13,721
Total Expenditures	2,437,834	2,430,421	2,385,121	2,420,898	2,457,211	2,494,069	2,531,480	2,569,453	2,607,994	2,647,114	2,686,821	2,727,123
Excess (Deficiency) of revenues over (under) expenditures	107,927	13,589	(13,750)	(86,111)	(89,884)	(76,137)	(21,876)	(24,010)	(26,063)	(28,034)	(109,855)	(113,246)
Other Financing Sources (Uses)												
Transfer In	195,293	203,309	203,309	205,342	207,396	209,469	211,564	213,680	215,817	217,975	220,155	222,356
Transfers Out	(636,818)	(186,841)	(189,559)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
Total Other Financing Sources (Uses)	(441,525)	16,468	13,750	55,342	57,396	59,469	61,564	63,680	65,817	67,975	70,155	72,356
Net Change in Fund Balance	(333,598)	30,057	-	(30,769)	(32,489)	(16,667)	39,688	39,670	39,753	39,941	(39,701)	(40,889)
GENERAL FUND BALANCE												
Beginning of Year	1,020,366	686,768	716,825	716,825	686,056	653,567	636,900	676,588	716,258	756,011	795,953	756,252
End of Year	686,768	716,825	716,825	686,056	653,567	636,900	676,588	716,258	756,011	795,953	756,252	715,362
Assigned/Unspendable	25,001	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Unassigned	661,767	691,825	691,825	661,056	628,567	611,900	651,588	691,258	731,011	770,953	731,252	690,362
% Unassigned of Annual GF Expenses	27%	28%	29%	27%	26%	25%	26%	27%	28%	29%	27%	25%

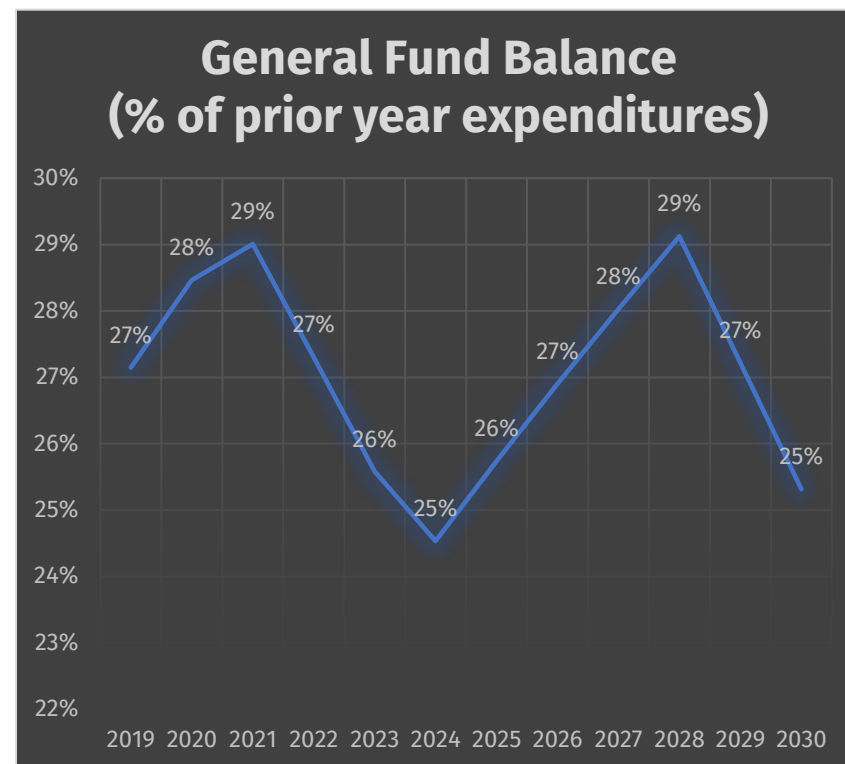
ASSUMPTIONS

1. General Fund expenses will increase 1.5% per year overall.
2. Property taxes applied to General Fund will increase each year as necessary to maintain 25% fund balance.
3. Intergovernmental revenues will increase 1% per year to reflect increased transportation aid (due to increased transportation spending).
4. Other revenues projected to remain flat.

Long-Range Financial Plan (2021-2030)



General fund revenues and expenditures are planned to be relatively the same each year over the 10-year period. In 2019, excess General Fund reserves were transferred out to the Capital Improvement Fund at year-end, resulting in more expenses than revenues as reflected in the chart above. In some future years, revenues are shown to be slightly higher than expenditures in order to help maintain a minimum fund balance. In some years, slightly less revenues are needed.



The 10-year plan provides that the Village’s minimum General Fund Balance of 25% of prior year expenditures will be achieved. Staff recommends keeping the fund balance at or closely higher than 25% and any excess funds should be transferred to the Capital Improvement Fund to limit the need for future debt.

The Government Finance Officers Association (GFOA) recommends a minimum fund balance of no less than two months (about 17%) of regular operating expenditures. By maintaining a fund balance of 25%-29%, the Village is in compliance with its own policy and over and above the GFOA’s recommendation.

Long-Range Financial Plan (2021-2030)
Capital Improvement Fund



	Audited 2019	Projected 2020	Projected									
			2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
CAPITAL IMPROVEMENT FUND												
Sources of Funds												
Property Taxes	9,867	54,884	102,909	175,000	75,000	76,500	78,030	79,591	81,182	82,806	84,462	86,151
Grants	100,000	-	1,137,505	18,961	350,000	15,000	20,000	-	10,000	15,000	-	-
Sale of Equipment	5,500	15,000	15,000	12,705	32,775	5,250	2,250	11,250	11,250	11,250	11,250	11,250
Rental Income	25,458	26,273	27,193	28,144	29,129	30,149	31,204	32,296	33,427	34,597	35,807	37,061
Bonds	-	2,766,850	-	2,000,000	-	2,000,000	-	-	-	1,000,000	-	-
Impact Fees	-	50,067	-	30,000	30,000	15,000	5,000	50,000	10,000	10,000	10,000	10,000
Other	-	50,960	7,700	4,500	2,500	-	-	-	-	-	-	-
Total Sources of Funds	140,825	2,964,034	1,290,307	2,269,310	519,404	2,141,899	136,484	173,137	145,859	1,153,653	141,520	144,462
Capital Expenditures												
Equipment Replacement	221,032	50,019	130,675	84,700	218,500	35,000	15,000	75,000	75,000	75,000	75,000	75,000
Roads & Infrastructure	74,961	325,000	3,985,174	1,088,000	1,350,000	500,000	1,265,000	250,000	250,000	250,000	250,000	250,000
Parks	-	200,067	21,200	34,500	42,500	30,000	15,000	73,000	10,000	10,000	10,000	10,000
Facilities	-	-	50,000	60,000	35,000	15,000	207,500	25,000	25,000	25,000	25,000	25,000
Other	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Total Expenditures	297,993	577,086	4,189,049	1,269,200	1,648,000	582,000	1,504,500	425,000	362,000	362,000	362,000	362,000
Excess/(Deficiency)	(157,168)	2,386,948	(2,898,742)	1,000,110	(1,128,596)	1,559,899	(1,368,016)	(251,863)	(216,141)	791,653	(220,480)	(217,538)
Transfers In/(Out)	473,153	98,788	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balance	315,985	2,485,736	(2,898,742)	1,000,110	(1,128,596)	1,559,899	(1,368,016)	(251,863)	(216,141)	791,653	(220,480)	(217,538)
CAPITAL IMPROVEMENT FUND BALANCE												
Beginning of Year	543,937	859,922	3,345,658	446,916	1,447,026	318,430	1,878,329	510,313	258,450	42,309	833,962	613,481
End of Year	859,922	3,345,658	446,916	1,447,026	318,430	1,878,329	510,313	258,450	42,309	833,962	613,481	395,943

ASSUMPTIONS

1. Expenditures follow existing plans; placeholder amounts set for years beyond capital plans.
2. Sale of equipment revenue estimated based on 15% of new equipment expense for that year.
3. TID #3 refund of \$98,788 shown as 2020 transfer in.
4. Borrowing in 2020 (\$2.8M) for industrial park project and \$400,000 of additional capital expenses.
5. Borrowings in 2022, 2024 and 2028 needed to fund capital projects/maintain fund balance.

**Long-Range Financial Plan (2021-2030)
Debt**



Principal and Interest Payments

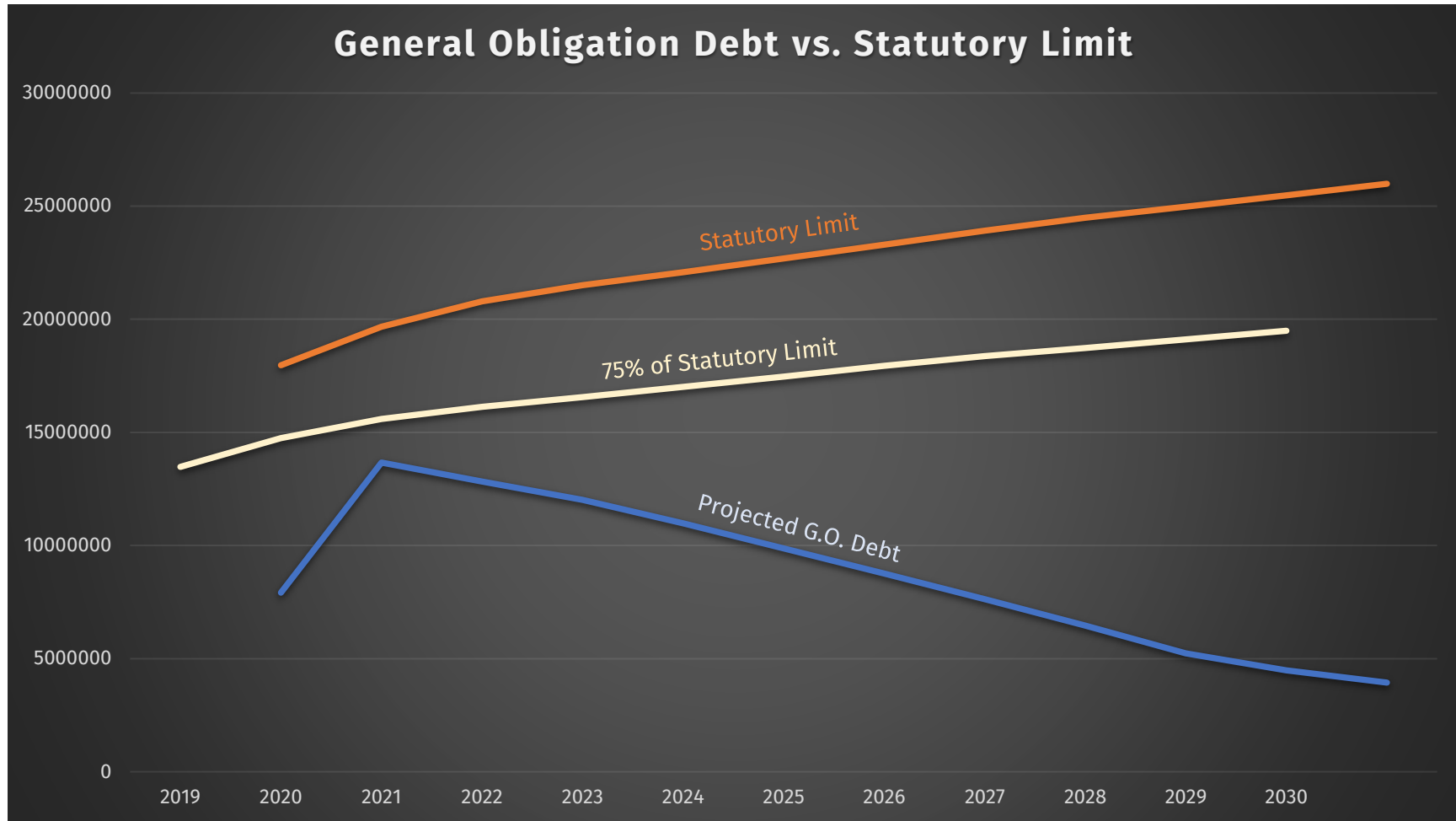
		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
GENERAL OBLIGATION DEBT													
Repayment Source													
Issued													
G.O. Bond Series 2006A	Debt Service Fund	148,893	148,530	147,900	-	-	-	-	-	-	-	-	-
STF Loan Series 2011A	Debt Service Fund	72,005	72,005	-	-	-	-	-	-	-	-	-	-
STF Loan Series 2011B	Debt Service Fund	43,646	43,646	43,646	-	-	-	-	-	-	-	-	-
G.O. Ref. Bond Series 2012B	Sewer Utility/TID #3/TID #4	518,070	550,270	570,595	450,245	561,495	558,100	563,700	568,700	568,100	567,050	-	-
G.O. Ref. Bond Series 2015A	Debt Service Fund	206,818	214,488	221,678	223,354	234,423	244,723	249,258	248,165	246,488	254,100	260,865	45,765
G.O. Bond Series 2019A	TID #5	15,840	32,400	57,025	56,275	55,525	74,475	87,900	91,025	89,075	96,975	94,725	92,475
G.O. Bond Series 2020A	TID #5	-	33,497	42,763	67,531	91,838	120,635	119,095	117,495	115,845	114,145	112,335	110,415
G.O. Bond Series 2020B	TID #6	-	12,285	27,300	27,300	76,800	75,800	89,650	98,250	96,750	120,000	118,000	116,000
G.O. Bond Series 2020C	Debt Service Fund	-	-	61,798	230,885	161,775	223,885	146,135	144,135	142,135	140,135	187,635	184,635
Fire Truck Loan 2015	Debt Service Fund	17,250	17,251	-	-	-	-	-	-	-	-	-	-
Fire Truck Loan 2020	Debt Service Fund	-	-	-	37,769	37,769	37,769	37,769	37,769	37,769	37,769	37,769	37,769
Total Issued G.O. Debt		1,022,522	1,124,372	1,172,705	1,093,359	1,219,624	1,335,387	1,293,507	1,305,539	1,296,162	1,330,174	811,329	587,059
Contemplated													
Fire Station 2022	Debt Service Fund	-	-	-	-	154,719	154,719	154,719	154,719	154,719	154,719	154,719	154,719
Capital Projects 2022	Debt Service Fund	-	-	-	-	140,722	140,722	140,722	140,722	140,722	140,722	140,722	140,722
Capital Projects 2024	Debt Service Fund	-	-	-	-	-	-	140,722	140,722	140,722	140,722	140,722	140,722
Capital Projects 2027	Debt Service Fund	-	-	-	-	-	-	-	-	70,361	70,361	70,361	70,361
Total Contemplated G.O. Debt		-	-	-	-	295,441	295,441	436,163	436,163	506,524	506,524	506,524	506,524
General Obligation Debt Principal Remaining		7,912,004	13,667,069	12,825,000	12,012,755	10,978,215	9,866,487	8,767,409	7,625,958	6,462,064	5,230,675	4,481,673	3,940,000
Statutory Limit		17,968,990	19,669,880	20,789,278	21,512,563	22,084,564	22,683,756	23,294,931	23,918,329	24,491,196	24,981,020	25,480,640	25,990,253
% of Statutory Limit		44.0%	69.5%	61.7%	55.8%	49.7%	43.5%	37.6%	31.9%	26.4%	20.9%	17.6%	15.2%

Principal and Interest Payments

		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
REVENUE BONDS													
Repayment Source													
Issued													
Clean Water Fund 2002A	Sewer Utility	447,850	447,638	447,463	447,283	-	-	-	-	-	-	-	-
Safe Water Loan Series 2005A	Water Utility	93,682	93,660	93,637	93,613	93,589	93,564	93,539	-	-	-	-	-
Safe Water Loan Series 2007A	Water Utility	34,086	34,078	34,069	34,059	34,051	34,041	34,032	34,021	-	-	-	-
Safe Water Loan Series 2009A	Water Utility	40,903	40,892	40,880	40,869	40,857	40,845	40,832	40,819	40,806	40,793	40,779	-
Water System Rev Bonds 2012A	Water Utility	221,866	218,423	219,360	219,785	220,060	220,103	219,825	214,343	213,649	207,699	206,440	214,593
Total Issued Revenue Bonds		838,387	834,691	835,409	835,609	388,557	388,553	388,228	289,183	254,455	248,492	247,219	214,593

ASSUMPTIONS

1. Contemplated borrowing for Fire Station in 2022 would be \$2.55M for Union Grove portion, at 25 years and 3.5% interest.
2. Contemplated borrowing for Capital Projects in 2022 is estimated as \$2M at 20 years and 3.5% interest.
3. Contemplated borrowing for Capital Projects in 2024 is estimated as \$2M at 20 years and 3.5% interest.
4. Contemplated borrowing for Capital Projects in 2027 is estimated as \$1M at 20 years and 3.5% interest.
5. General Obligation debt statutory limit is based on 5% of equalized values as projected later in this document.



According to Wisconsin statutes, the outstanding principal amount of outstanding general obligation debt is limited to 5% of the Village’s equalized value. The Village’s policy is to maintain at least 25% of its statutory general obligation debt capacity available at all times in case of emergency. The chart above illustrates the projected general obligation debt in relation to the estimated statutory limit and 75% of statutory limit. The Village’s debt is projected to be closest to its policy limit at year-end 2020 when it is at 69.5%.

Long-Range Financial Plan (2021-2030)
Property Taxes and Valuation

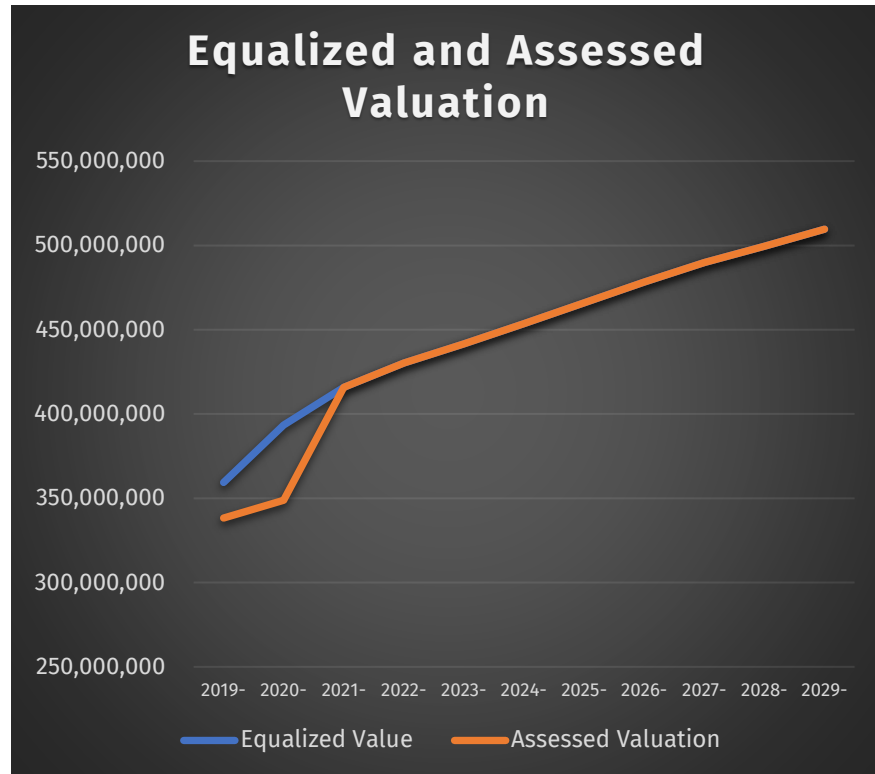


Tax/Assessment Year	2019-	2020-	2021-	2022-	2023-	2024-	Projected				
Budget Year	2020	2021	2022	2023	2024	2025	2025-	2026-	2027-	2028-	2029-
							2026	2027	2028	2029	2030
PROPERTY TAXES											
General Fund	1,305,904	1,332,310	1,288,000	1,314,000	1,358,000	1,443,000	1,472,100	1,501,782	1,532,058	1,483,000	1,512,900
Debt Service Fund	497,372	475,422	492,008	729,408	801,818	869,325	866,232	932,916	938,528	992,793	774,693
Capital Improvement Fund	54,884	102,909	175,000	75,000	76,500	78,030	79,591	81,182	82,806	84,462	86,151
Subtotal Property Tax Levy	1,858,160	1,910,641	1,955,008	2,118,408	2,236,318	2,390,355	2,417,923	2,515,881	2,553,392	2,560,256	2,373,745
Tax Increment	142,902	145,796	130,117	212,095	262,766	294,967	323,902	342,684	361,561	373,444	374,755
Total Property Tax Levy	2,001,062	2,056,437	2,085,125	2,330,502	2,499,084	2,685,323	2,741,825	2,858,565	2,914,953	2,933,700	2,748,500
EQUALIZED AND ASSESSED VALUE											
Equalized Value	359,379,800	393,397,600	415,785,552	430,251,263	441,691,288	453,675,114	465,898,616	478,366,589	489,823,920	499,620,399	509,612,807
Assessed Valuation	338,281,700	348,892,700	415,785,552	430,251,263	441,691,288	453,675,114	465,898,616	478,366,589	489,823,920	499,620,399	509,612,807
Mill Rate	5.91537	5.89418	5.01491	5.41661	5.65799	5.91904	5.88502	5.97568	5.95102	5.87186	5.39331
VILLAGE TAXES BY ASSESSED VALUE											
\$150,000	887.31	884.13	752.24	812.49	848.70	887.86	882.75	896.35	892.65	880.78	809.00
\$200,000	1,183.07	1,178.84	1,002.98	1,083.32	1,131.60	1,183.81	1,177.00	1,195.14	1,190.20	1,174.37	1,078.66
\$250,000	1,478.84	1,473.55	1,253.73	1,354.15	1,414.50	1,479.76	1,471.26	1,493.92	1,487.76	1,467.96	1,348.33
\$300,000	1,774.61	1,768.25	1,504.47	1,624.98	1,697.40	1,775.71	1,765.51	1,792.70	1,785.31	1,761.56	1,617.99
\$400,000	2,366.15	2,357.67	2,005.96	2,166.64	2,263.20	2,367.62	2,354.01	2,390.27	2,380.41	2,348.74	2,157.32
\$500,000	2,957.69	2,947.09	2,507.45	2,708.30	2,828.99	2,959.52	2,942.51	2,987.84	2,975.51	2,935.93	2,696.66

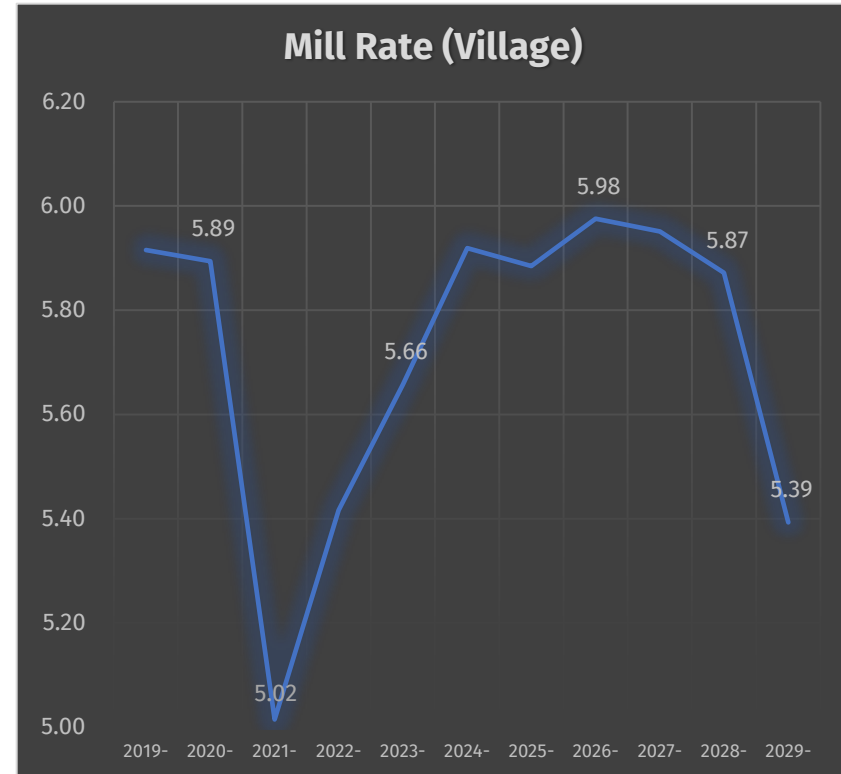
ASSUMPTIONS

1. Tax Increment follows project plans for existing TIDs. Does not include possible creation of any new TIDs or any new development in TID #4.
2. Equalized value assumes 2% increase per year, plus new values according to TID project plans.
3. Assessed value assumes 2% increase per year, plus new values according to TID project plans. Also assumes a market revaluation in 2021 bringing assessment ratio to 100% for remainder of plan.

Long-Range Financial Plan (2021-2030)



As of 2020, equalized value is 11.4% higher than the Village's assessed value. An interim market reassessment is planned for 2021 which is expected to bring the Village's assessed value in line with the equalized value. The plan does not attempt to predict how assessed and equalized values will compare in future years. Therefore, the plan uses the assumption that equalized and assessed values will increase 2% per year, plus the estimated value of planned improvements in existing tax incremental districts.



The chart above illustrates that the mill rate for the Village portion of property taxes is projected to drop in 2021. This is due to the interim market reassessment which is expected to increase property assessments and cause the mill rate to decrease. The plan projects that the mill rate will steadily increase back around 5.90 in 2024.