

BUDGET OVERVIEW

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Mission Statement

The Village of Menomonee Falls is committed to open, ethical and responsive government, and will actively and responsibly strive to provide the highest quality of municipal services consistent with the changing needs and desires of the community and a realistic assessment of resources available.

Village Board Strategic Planning

A Vision for the Village

In the future we want the following in Menomonee Falls. It is our Vision that each of these components will be realized as part of community life.

- * **A Safe Community**
- * **Housing Options to Meet the Needs of Residents of All Ages**
- * **Vital Interactive Neighborhoods**
- * **High Quality Business Development**
- * **Preservation of Natural Resources in Balance with Development**
- * **Responsive, Effective and Economically Viable Government Services**
- * **A Thriving Revitalized Historic Village Centre**
- * **An Accessible, Diverse Transportation System**
- * **Quality, Comprehensive Education**
- * **Growing Cultural and Community Activities**

STRUCTURE OF VILLAGE FUNDS

The accounting records of the Village are organized into funds and account groups, each of which is considered to be a separate entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute assets, liabilities, fund equity (reserves), revenues and expenditures/expenses.

GOVERNMENTAL FUNDS:

GENERAL FUND

Contains cost of providing police & fire protection, garbage collection, recycling, parks, street maintenance, community development, planning, zoning, licenses and permits, engineering, assessing, tax billing & collections, financial services, clerk/treasurer requirements elections, payroll and personnel, property and insurance, building and vehicle maintenance, general administration, and payment of debt service

SPECIAL REVENUE FUNDS

Revenues with specific requirements for spending as a result of restricted donations or state/federal grants. The Municipal Facilities Fund, Library Operations and Maintenance Fund, and the Solid Waste Collection Fund are also included in Special Revenue Funds.

DEBT SERVICE FUND

Annual principal and interest payments on debt not covered by utilities and risk management funds.

CAPITAL PROJECTS FUNDS

Tracks revenues and expenditures related to:
General capital projects and equipment
Revolving Capital Loan Fund
Tax Incremental Districts
Special Assessment Fund

PROPRIETARY FUNDS:

WATER UTILITY

Contains revenues, expenses and capital purchases relating to water pumping, treatment, supply, billing and administration.

SEWER UTILITY

Contains revenues, expenses and capital purchases relating to sewerage treatment, processing, billing and administration.

STORM WATER UTILITY

Contains revenues, expenses and capital purchases relating to storm water management

RISK MANAGEMENT

Contains revenues and expenses relating to property and liability insurance from CVMIC

FIDUCIARY FUNDS:

Used to record assets held by the Village as an agent for other governmental units as result of the tax collection process.

ACCOUNT GROUPS:

GENERAL FIXED ASSETS

Used to record the original cost of general fixed assets and infrastructure

GENERAL LONG-TERM DEBT

Used to record non-Proprietary Fund debt

BUDGET SUMMARIES

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BUDGET GOALS

The General Operating Budget was developed under certain guidelines to ensure that the citizens of Menomonee Falls not only receive the services that they have come to expect, but do so in a fiscally responsible manner.

(1) Comply with State of Wisconsin Governor's tax levy limit.

Tax Levy increase allowed is the higher of 2% or the increase in property value due to new construction, 2.488%.

Additional adjustments are allowed for increases in debt service.

ESTIMATED TAX RATE - MUNICIPAL PURPOSES ONLY

	2005 for 2006	2006 for 2007	2007 for 2008	2008 for 2009
Assessed value	6,970,809,924	4,088,993,500	4,154,666,940	4,256,020,250
Tax rate	\$ 5.09	\$5.11	\$5.09	\$5.18

TAX RATE ALLOCATION

	2005 for 2006 ACTUAL	2006 for 2007 BUDGET	2007 for 2008 BUDGET	2008 for 2009 BUDGET
Municipal Operations	\$3.40	\$3.53	\$3.67	\$3.70
Debt Service	\$0.97	\$0.89	\$0.72	\$0.79
Library Operations	\$0.35	\$0.33	\$0.34	\$0.33
Library Building Maintenance	\$0.08	\$0.08	\$0.08	\$0.07
Storm Water Utility	\$0.21	\$0.21	\$0.21	\$0.21
Interceptor Sewer	\$0.08	\$0.07	\$0.07	\$0.07
Property Tax Levy per \$1,000	\$5.09	\$5.11	\$5.09	\$5.18

GENERAL FUND OPERATING BUDGET SUMMARY

(With Debt Service)

	2006 ACTUAL	2007 ACTUAL	2008 AMENDED BUDGET	2008 ESTIMATE	2009 BUDGET	Budget % Change
REVENUES:						
Property taxes	16,024,959	16,565,804	17,359,331	17,359,331	18,069,050	4.09%
Other taxes	177,199	194,734	168,500	168,500	205,100	21.72%
Intergovernmental aids	3,320,220	3,221,552	3,015,894	3,151,356	3,101,313	2.83%
Licenses and permits	871,009	833,826	804,800	804,800	805,300	0.06%
Fines and penalties	591,897	601,881	566,100	566,100	583,100	3.00%
Public charges for services	1,109,828	2,322,882	1,001,000	1,023,510	1,052,110	5.11%
Interest income	1,046,559	1,178,439	1,141,000	671,000	571,000	-49.96%
Charges to Water Utility	962,261	980,285	1,000,000	1,000,000	1,069,000	6.90%
Miscellaneous	414,185	457,596	459,700	459,700	463,700	0.87%
Total revenues	24,518,117	26,356,999	25,516,325	25,204,297	25,919,673	1.58%

OTHER FINANCING SOURCES:

Utility repayments	-	-	-	-	-	
Transfers from other funds	1,061,353	1,439,928	584,400	1,108,672	706,374	20.87%
Working capital applied	1,570,130	-	-	-	-	NA
Total other sources	2,631,483	1,439,928	584,400	1,108,672	706,374	20.87%
Total revenues and other financing sources	27,149,600	27,796,927	26,100,725	26,312,969	26,626,047	2.0127%

EXPENDITURES:

General Government	2,900,238	3,019,544	2,834,625	2,834,625	2,965,715	4.62%
Public Safety	11,507,784	11,873,849	12,905,165	12,905,165	13,100,100	1.51%
x	1,515,877	1,562,577	-	-	-	NA
Public Works	4,638,187	4,887,950	5,502,660	5,502,660	5,479,738	-0.42%
Culture and Recreation	43,438	29,859	30,400	30,400	27,800	-8.55%
Conservation and Development	1,541,956	1,541,782	1,415,655	1,415,655	1,447,310	2.24%
Debt Service	3,517,612	3,361,035	3,010,861	3,010,861	3,369,604	11.91%
Total expenditures	25,665,092	26,276,596	25,699,366	25,699,366	26,390,267	2.69%

OTHER FINANCING USES:

Contingency	-	-	80,000	80,000	-	-100.00%
Transfers to other funds	1,484,509	1,520,332	321,359	321,359	235,780	-26.63%
Total other uses	1,484,509	1,520,332	401,359	401,359	235,780	-41.25%
Total expenditures and other financing uses	27,149,601	27,796,928	26,100,725	26,100,725	26,626,047	2.0127%

**GENERAL FUND
BUDGETARY STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE**

(Without Debt Service)

	2006 ACTUAL	2007 ACTUAL	2008 AMENDED BUDGET	2008 ESTIMATE	2009 BUDGET
REVENUES:					
Property taxes	12,507,347	13,204,769	14,348,470	14,027,111	14,699,446
Other taxes	177,199	194,734	168,500	168,500	205,100
Intergovernmental aids	3,320,220	3,221,552	3,015,894	3,151,356	3,101,313
Licenses and permits	871,009	833,826	804,800	804,800	805,300
Fines and penalties	591,897	601,881	566,100	566,100	583,100
Public charges for services	1,109,828	2,322,882	1,001,000	1,023,510	1,052,110
Interest income	1,046,559	1,178,439	1,141,000	671,000	571,000
Charges to Water Utility	962,261	980,285	1,000,000	1,000,000	1,069,000
Miscellaneous	414,185	457,596	459,700	459,700	463,700
Total revenues	21,000,505	22,995,964	22,505,464	21,872,077	22,550,069
EXPENDITURES:					
General Government	2,900,238	3,019,544	2,834,625	2,834,625	2,965,715
Public Safety	11,507,784	11,873,849	12,905,165	12,905,165	13,100,100
Health and Human Services	1,515,877	1,562,577	-	-	-
Public Works	4,638,186	4,887,949	5,502,660	5,502,659	5,479,738
Culture, Recreation and Education	43,438	29,859	30,400	30,400	27,800
Conservation and Development	1,541,956	1,541,782	1,415,655	1,415,655	1,447,310
Contingency	-	-	80,000	-	-
Total expenditures	22,147,479	22,915,560	22,768,505	22,688,504	23,020,663
Excess (deficit) of revenues over (under) expenditures	(1,146,974)	80,404	(263,041)	(816,427)	(470,594)
OTHER FINANCING SOURCES AND USES:					
Transfers from other funds	1,061,353	1,439,928	584,400	1,108,672	706,374
Transfer (to) other funds	(1,484,509)	(1,520,332)	(321,359)	(321,359)	(235,780)
Total other financing sources (uses)	(423,156)	(80,404)	263,041	787,313	470,594
Excess (deficit) of revenues and other sources over (under) and other uses	(1,570,130)	-	-	(29,114)	-
Fund Balance, beginning of year	9,665,462	8,095,332	8,095,332	8,095,332	8,066,218
Fund Balance, end of year	8,095,332	8,095,332	8,095,332	8,066,218	8,066,218

FUND BALANCE AND WORKING CAPITAL INFORMATION

DEFINITIONS:

Fund Balance

Assets less liabilities equal fund balance or net assets. Fund balances are the accumulated results of the Village's financial activities. An excess of revenues over expenditures increases fund balance and a deficit decreases the fund balance. Note that the fund balance is not the same as cash on hand.

Reserved

Those balances required by governmental accounting standards to be reserved. These reservations are related to the liquidity of certain assets.

Designated

Those balances for which the Board has made tentative plans.

Restricted

Those balances which are restricted by outside agencies, such as grant agreements, loan covenants and donations made for specific purposes. The General Fund does not have restricted fund balances at this time.

Undesignated

Those balances which are not reserved, designated or restricted. The Village has historically used its undesignated fund balance to "balance the budget" and stabilize the tax rate.

Working Capital

Alternative wording for undesignated fund balance.

Working Capital Applied

A budgetary revenue line item for the amount of undesignated fund balance used to offset the effect of rising expenditures and control the tax rate.

Number of Days of Working Capital

The Village Board is committed to maintaining at least two months of budgetary expenditures in reserve. The decision, therefore, to use working capital to control the tax rate is weighed against the number of days of working capital remaining as a cushion in case of emergency.

Working Capital Calculations:

Budgeted expenditures
Less Contingency
Net budgeted expenditures

	2006 Actual	2007 Actual	2008 Budget	2009 Budget
	\$ 25,722,642	\$ 26,687,221	\$ 26,687,221	\$ 26,626,047
	(100,000)	(93,700)	(93,700)	-
	\$ 25,622,642	\$ 26,593,521	\$ 26,593,521	\$ 26,626,047

Amount needed per day

\$ 70,199	\$ 72,859	\$ 72,859	\$ 72,948
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Composition of General Fund Balance:

Reserved/Designated:

Reserved for delinquent personal property tax
Reserved for prepaid items
Reserved for inventories
Reserved for loans to other funds
Reserved for subsequent year's tax roll.
Designated for landfill closing
Total Reserved/Designated

	2006 Actual	2007 Actual	2008 Estimate	2009 ESTIMATE
	10,693	4,565	5,000	5,000
	36,489	471,034	250,000	250,000
	220,614	97,822	150,000	150,000
	1,125,876	1,147,128	1,150,000	1,150,000
	146,230	-	-	-
	100,000	100,000	100,000	100,000
	1,639,902	1,820,549	1,655,000	1,655,000

Unreserved/Undesignated

Total General Fund Balance, year end

6,455,430	6,274,783	5,774,783	5,774,783
8,095,332	8,095,332	8,066,218	8,066,218

Number of Days Remaining

92	86	79	79
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It is estimated that the Village will use \$500,000 of unreserved/undesignated fund balance during 2008 to cover a shortfall due to heavy winter, rising fuel costs and loss of interest income due to market decline.

LONG TERM DEBT INFORMATION

The Village of Menomonee Falls borrows funds for various purposes, and for various durations. The factors considered in structuring debt are project cost, useful life and funding source. Emphasis is put on stabilizing the tax rate or the user charge over the life of the bond.

As part of the Capital Budgeting process, management attempts to identify sources of funds with which to pay for projects and equipment. These sources include capital reserves, impact fees and interceptor sewer reserves. After these funds have been applied, the remaining needs are borrowed in the form of general obligation notes, bond anticipation notes and utility mortgage revenue bonds. Depending on the purpose of the note or bond, principal and interest are charged to different Village functions: General Fund, Special Assessments, Municipal Facilities, Tax Incremental Districts and the Utilities.

LONG-TERM DEBT OBLIGATIONS BY FUNDING SOURCE

General Obligation Debt	12/31/05 ACTUAL	12/31/06 ACTUAL	12/31/07 ACTUAL	12/31/08 ESTIMATED
Tax levy supported debt	14,941,940	14,109,351	12,729,860	12,477,160
Park Impact Fee supported	1,500,000	1,350,000	1,200,000	1,050,000
Tipping fee supported debt	24,959,862	23,310,469	21,843,227	20,866,677
Risk Management debt	188,385	98,323	-	-
Special Assessment debt	3,483,198	3,125,239	2,713,466	2,853,310
TID supported G.O.	19,705,000	18,080,000	15,760,000	16,710,000
Utility supported G.O.	840,000	1,149,941	1,038,447	1,702,853
TID Bond Anticipation Notes	7,615,000	6,650,000	6,650,000	3,100,000
Total general obligation debt	73,233,385	67,873,323	61,935,000	58,760,000

Other Village Debt:				
Revenue Bonds and BANS	21,790,000	19,320,000	16,745,000	14,130,000
Clean Water Fund Loans - TID	646,294	592,190	-	-
Clean Water Fund Loans -Utility	1,627,617	1,482,267	2,798,440	2,931,617
TID #7 Municipal Revenue Obligation	-	-	-	5,100,000
Total All Outstanding Debt	97,297,296	89,267,780	81,478,440	80,921,617

VILLAGE OF MENOMONEE FALLS, WISCONSIN

SUMMARY OF HISTORICAL INFORMATION

PROPERTY VALUATION DATA

	1/1/2005 2005 for 2006 ACTUAL	1/1/2006 2006 for 2007 ACTUAL	1/1/2007 2007 for 2008 ACTUAL	1/1/2008 2008 for 2009 ACTUAL
EQUALIZED VALUATION				
All valuation except TID Districts	3,666,626,100	3,936,896,500	4,318,725,300	4,418,258,000
TID #2 - Village Centre	41,135,000	43,920,600	41,697,100	43,469,000
TID #3 - Silver Spring Corp Park	105,688,500	124,403,600	-	-
TID #4 - Heritage Reserve	88,843,800	93,081,400	103,571,700	123,912,700
TID #5 - Westbrook Corp Park	29,199,700	42,162,500	43,900,000	48,358,800
TID #6 - Main Street	-	-	2,107,300	1,196,400
Total Equalized Valuation	3,931,493,100	4,240,464,600	4,510,001,400	4,635,194,900

2008 for 2009 IS MOST RECENT ESTIMATE

EQUALIZED AND ASSESSED VALUES AND COMPARABLE TAX RATES

VALUATION YEAR	BUDGET YEAR	EQUALIZED VALUATION	ASSESSED VALUATION	Per \$1,000	\$ Change	% Change
2008	2009	4,635,194,900	4,256,020,250	\$ 5.18	\$ 0.09	1.77%
2007	2008	4,510,001,400	4,154,666,940	\$ 5.09	\$ (0.02)	-0.39%
2006	2007	4,240,464,600	4,088,993,500	\$ 5.11	\$ 0.02	3.47%
2005	2006	3,931,493,100	3,855,192,000	\$ 5.09	\$ (1.03)	-16.83%
2004	2005	3,589,589,300	3,234,448,732	\$ 6.12	\$ 0.12	2.00%
2003	2004	3,374,526,400	3,166,439,929	\$ 6.00	\$ (0.07)	-1.15%
2002	2003	3,129,814,400	3,129,676,993	\$ 6.07	\$ (1.50)	-21.10%
2001	2002	2,897,216,600	2,337,061,929	\$ 7.57	\$ 0.11	1.37%
2000	2001	2,710,717,100	2,278,622,800	\$ 7.46	\$ 0.21	3.00%
1999	2000	2,447,624,000	2,221,072,900	\$ 7.25	\$ 0.40	2.58%
1998	1999	2,321,507,400	2,169,291,400	\$ 6.85	\$ -	2.92%
1997	1998	2,167,700,100	2,093,810,700	\$ 6.85	\$ 0.24	3.63%
1996	1997	1,990,336,500	1,965,916,500	\$ 6.61	\$ -	0.00%
1995	1996	1,873,014,900	1,895,314,700	\$ 6.61	\$ (2.89)	0.00%
1994	1995	1,740,190,900	1,218,349,200	\$ 9.50	\$ (0.00)	0.00%
1993	1994	1,568,822,200	1,175,306,500	\$ 9.50	\$ 9.50	-0.76%