

Town of Spider Lake Public Hearing

Budget Review and Approval of Tax Levy

November 19, 2020

Agenda

- Budget and Tax Levy Overview
 - Process
 - Timeline
 - Following the Tax Dollar
- Review of Proposed Budget
 - Expenditures
 - Revenues
 - Source of funds
- Review and Approval Vote for Tax Levy

Budget Basics

- Town board must prepare and adopt annual budget (Wis. Stat. 65.90, 60.40(2)(4))
- The budget functions as a roadmap for managing TOSL in the upcoming year. It also represents a statement of the Town's values and how its resources will be stewarded
- Typically, a budget is designed around two components:
 - Operating Budget: day to day expenses of running the town; gas, electric, employee compensation, sand and gravel, office expenses, etc.
 - Capital Budget: Large, infrequent expenditures for major equipment, facilities or programs. Includes replacing tractor and establishing an emergency communications system for 2021.

Budget Timeline

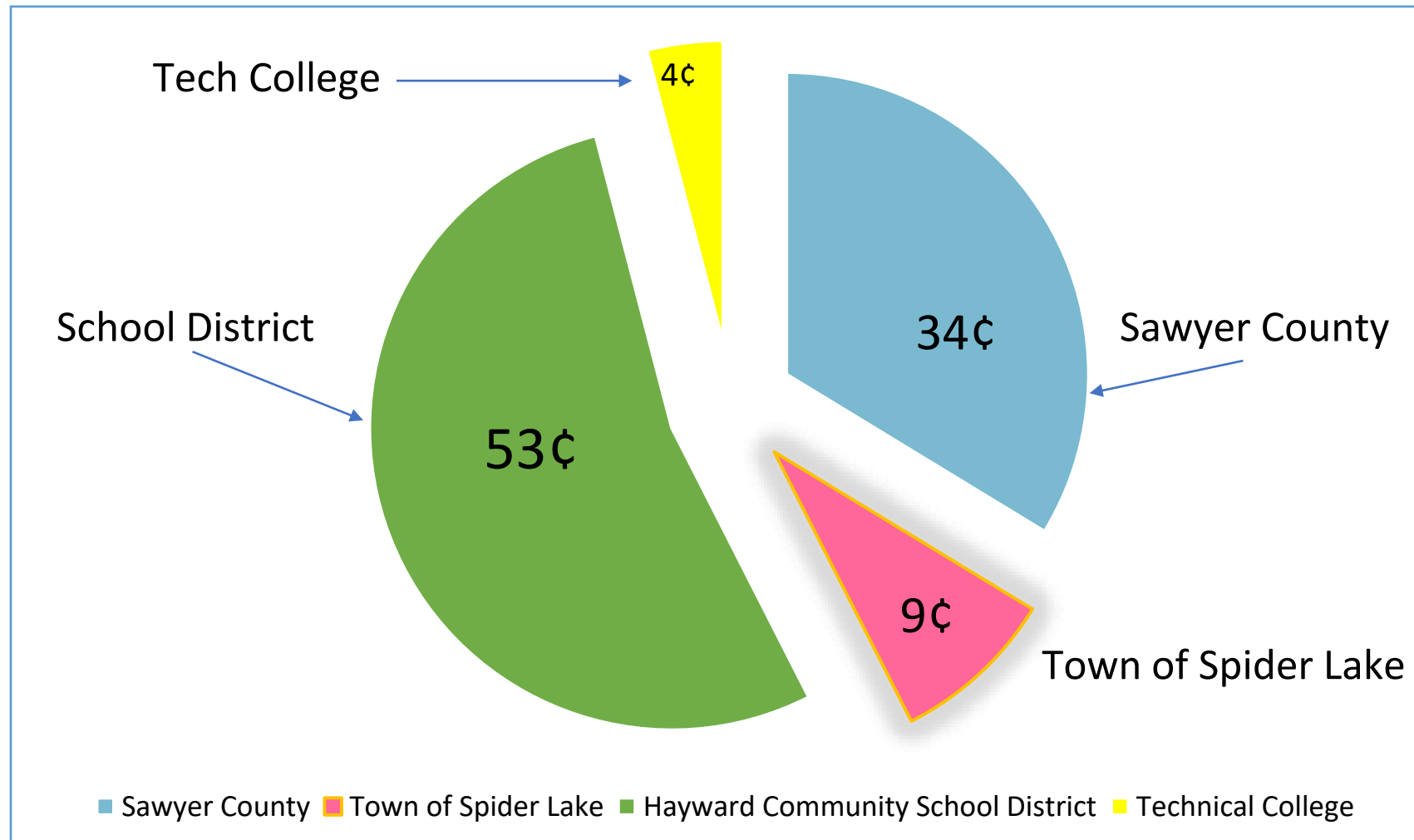
- September: TOSL Committees review budget materials
- October: Budget Workshops conducted October 9, 16 and 23
- November 2: Proposed budget posted
- November 19: Public hearing on budget on Town meeting to approve property tax levy
- November 19: Board meeting to approve final budget
- Late November: Budget and tax levy data submitted to Sawyer County and other governmental units
- December: Sawyer County provides data to compute TOSL property taxes

Following the TOSL tax dollar for 2020

Total Assessed Value	\$295,828,830	
Total Property Tax Due*	\$3,052,771	
Allocation of Property Tax Dollars		
Sawyer County	\$1,028,934	34%
Town of Spider Lake	\$268,749	9%
Hayward Community School District	\$1,631,100	53%
Technical College	\$123,988	4%
Total	\$3,052,771	100%
*Net assessed value rate of 0.0103193383		

For every dollar of property taxes

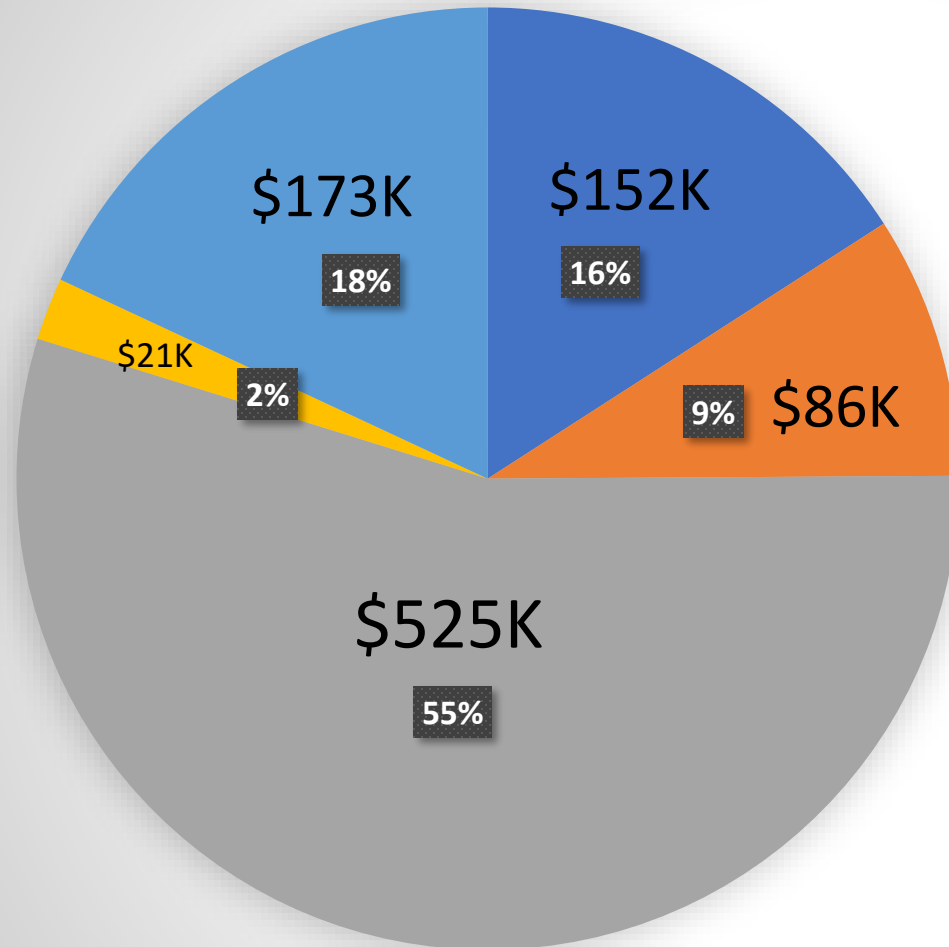
9 cents goes to the Town of Spider Lake



Budget Review

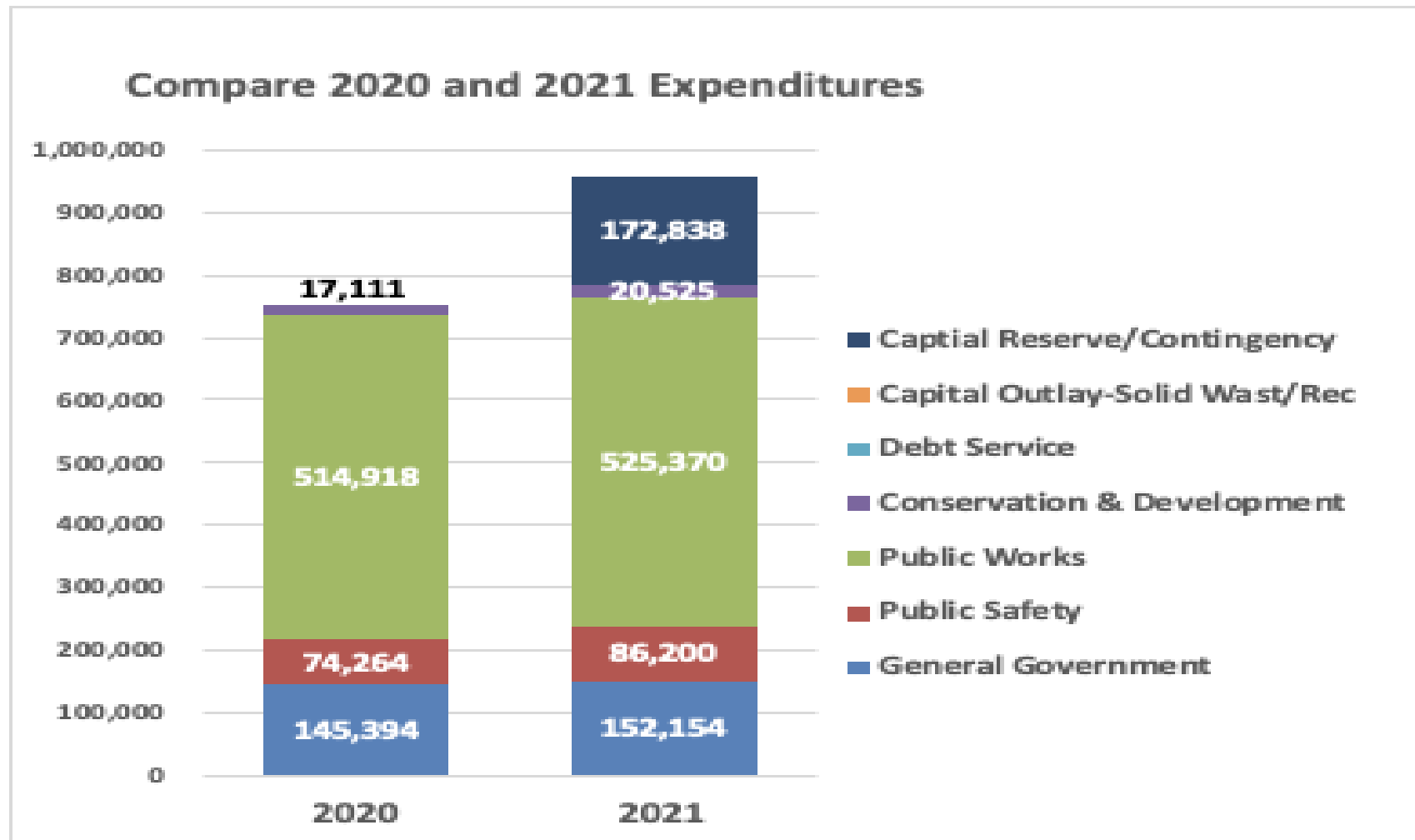
- Expenses
- Revenues
- Source of funds
- Discussion

2021 TOSL Budget: Expenses

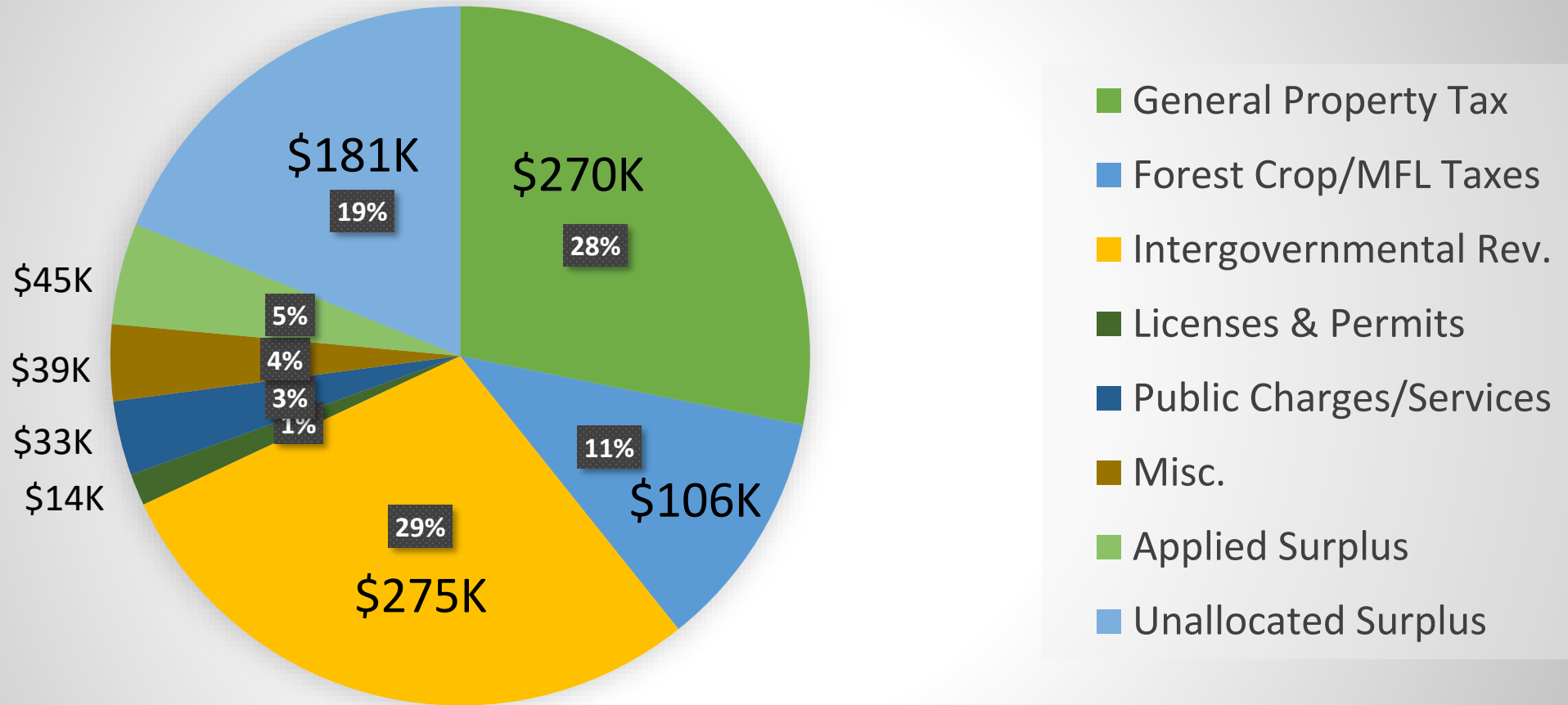


- 500 GENERAL GOVERNMENT
- 520 PUBLIC SAFETY
- 530 PUBLIC WORKS
- 560 CONSERVATION & DEVELOPMENT
- 620 CAPITAL OUTLAY

Expense Comparison, year to year



2021 TOSL Budget: Revenues



Capital Expenditures

- Board of Supervisors approved replacement of tractor and installation of emergency communication system in October.
- Costs were determined to be \$139K for the tractor and \$33K for the communications system
- Three ways to finance:
 - Take out a loan
 - Increase the tax levy
 - Use available cash reserves
- Board opted to use available cash reserves

Use of Unallocated Surplus Cash

- Cash available the use of which is within accepted financial parameters:

Cash balance as of October 31st		\$723,940
	Less: Minimum of three months operating expenses (\$957K/12x3)	(239,272)
	Less: Fire Dept reserve	(10,004)
	Less: Holding Tanks reserve	(5,000)
	Less: Dam Reserve	(4,000)
	Less: Capital Eqpt reserve	(38,795)
	Less: Capital Improvement reserve	(20,000)
Cash available for budget purposes		\$406,869

Tax Levy

- Since 2005, the state regulates how much local governments can increase the property tax levy, compared to previous year's actual property tax levy. *Wis Stat 66.0602*
- Proposed levy is the amount allowable as determined by the Wisconsin Department of Revenue
- Property taxes may go up, *but it will not be caused by a TOSL increase*
- For 2021, this is an increase from \$268,749 in 2020 to \$269,684, representing an increase of \$135 for the current budget
- The increase is based on a net new construction for TOSL of 0.0348% (about 1/3 of 1%)

END