



CITY OF MANITOWOC

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TO: Citizens of the City of Manitowoc
Steve Czekala, Common Council President
Jim Brey, Chair of the Finance Committee
Members of the Manitowoc Common Council
Employees of the City of Manitowoc

FROM: Mayor Justin M. Nickels

DATE: October 17th, 2022

RE: 2023 Executive Budget

Citizens of the City of Manitowoc, Common Council, and City Employees; I am honored to introduce the City of Manitowoc's 2023 Executive Budget for your consideration.

The 2023 Executive Budget is one of the most difficult I've had to compile in quite some time. The challenges of inflation, rising costs in every area and every department, and employee retention and recruitment were front and center as the budget was put together over the past few months.

The 2023 Executive Budget's main focus was on our city employees. Our workforce of roughly 350 full-time employees are responsible for providing the day-to-day services our citizens expect. We cannot do a just service to our taxpayers without a quality workforce. I focused this budget on areas where we need to become more competitive in the market and I am recommending some policy changes in our hiring practices while implementing new strategies to retain our exemplary employees. I am recommending a 5% increase across the board for all non-union employees while implementing our recently completed compensation analysis update. There are no new positions being recommended in this year's budget. However, I am recommending a few changes to some positions. In the Department of Public Infrastructure, I am recommending increasing our laborers wages as this was the area our compensation analysis found the largest discrepancies in the labor market. I am also recommending creating 7 new senior laborer positions to help oversee specific areas within the department while giving employees the ability to grow in their careers. I am also recommending making a part time zoo employee full time and changing the job description for the Community Service Worker in the PD to CSW Supervisor and Fleet Mechanic.

MAYOR JUSTIN M. NICKELS

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Of course, accomplishing that is no easy task. Road salt increased \$96,380. Fuel increased \$306,863. Gas increased \$77,870. Electric increased \$71,158. IT increased \$41,500. I increased our forestry budget by an additional \$50,000 over last year's increase to deal with emerald ash.

Inflation is affecting us all individually and as families. Inflation also affects local governments as the revenues don't keep up with the increased expenses for the services we provide our citizens. While we are seeing increased costs as mentioned before, it doesn't mean we need to pass the full effects on to our taxpayers. The proposed tax rate increase is 2.21%, well less than our current inflation rate. The owner of a \$100,000 home would see their city property taxes increase by \$18.12 for the entire year, or \$1.51/month. We were also able to keep the tax rate lower thanks to an increase in our net new construction at 2.61%, the largest increase of any municipality in Manitowoc County. (*next closest: Village of Valders at 1.88%*)

This budget has \$3,360,726 in road improvements, most notably Reed Avenue and E. Albert Drive. \$1,350,000 for parks improvements, a major increase over last year, including dedicated outdoor pickleball courts at Rheaume Park and improved restrooms, Lincoln Park Tennis Court resurfacing, and continued Mariners Trail upgrades. \$3,500,000 for continued improvements at the River Point District (TIF supported), and monies to support an updated engineering study to upgrade the docks at the Manitowoc Marina, which we plan to begin upgrades in 2024. I moved the annual allotment of \$500,000 toward downtown improvements from borrowing to pay-as-you-go. Additionally, this is the 14th consecutive budget I have presented that reduces our General Fund debt, this upcoming year by an additional \$673,000.

I want to thank Kim Lynch, our Interim Finance Director, and Department Heads for helping put this budget together. We are providing this budget to you with our support behind it.

Best wishes as you deliberate on behalf of the citizens you individually represent. I will always make myself available to discuss this in greater detail if you desire.

Respectfully Submitted,

MAYOR JUSTIN M. NICKELS

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