



State of Wisconsin • DEPARTMENT OF REVENUE

DIVISION OF STATE AND LOCAL FINANCE • BUREAU OF LOCAL GOVERNMENT SERVICES • 2135 RIMROCK RD MADISON, WI 53713

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October 25, 2017

DEBORAH NEUSER
CITY OF MANITOWOC
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Notice of 2018 Budget Limit – 2019 Expenditure Restraint Program Payment

Notice Information

The Wisconsin Department of Revenue (DOR) is sending you the qualifying factors for the 2019 Expenditure Restraint Program (ERP) payment. These factors assume your 2017 municipal TID out property tax rate will be greater than five mills.

Municipality	CITY OF MANITOWOC	County	MANITOWOC	Co-muni Code	36251
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Budget Limit Information

- To qualify for a payment, your municipality's net general fund budget increase from 2017 to 2018 must be **less than 2.4 percent** (*Line 9 below*) when rounded to the nearest hundredth (ex: 0.10 percent)
- Review the guidelines on the back of this notice for reporting general fund budget expenditures

Growth Factor Calculations	
1. Net new construction during 2016	9,929,700
2. 2016 total equalized value	1,915,217,400
3. Percent increase (<i>Line 1 divided by Line 2</i>)	0.518%
4. Adjustment factor	60%
5. Adjusted percent increase (<i>Line 3 multiplied by Line 4</i>)	0.311%
6. Maximum allowable increase	2%
7. Your growth factor (<i>lesser of Line 5 or Line 6</i>)	0.311%
8. Consumer price index (<i>increase from October 1, 2016 to September 30, 2017</i>)	2.1%
9. Total Budget Growth Limit – your municipality must be under this limit to qualify for a 2019 ERP payment (<i>sum of Lines 7 and 8 rounded to the nearest 0.10% (sec. 79.05(2)(c), Wis. Stats.)</i>)	2.4%

Contact Information

Questions? If you have questions, contact us at (608) 266-8618 or lgs@wisconsin.gov.

Reporting General Fund Expenditures

Budget Comparison

The 2017 budget amounts reported to DOR auto-fills in Col. 2. You must enter the 2018 budget amounts in Col. 1.

- **Line 1** – enter:
 - All general fund expenditures, including general fund transfers out to other funds
 - If your municipality shows no transfers out to other funds, but partially funds other governmental and/or proprietary funds by property tax levy, include the other governmental and/or proprietary fund expenditures funded by property tax levy revenue

Example 1: Municipality A reports the following budget information

Funds	Revenues	Expenditures	Property Tax Levy Contributions
General fund	\$1,500,000	\$1,500,000	\$600,000
EMS	\$400,000	\$400,000	\$80,000
Library	\$600,000	\$600,000	\$150,000
Debt service fund	\$350,000	\$350,000	\$100,000
Municipality A will report \$1,830,000 (\$1,500,000+\$80,000+\$150,000+\$100,000) on Line 1			

- **Line 2** – enter a deduction for long-term debt principal and interest payments in the general fund budget (including general fund transfers out to debt service fund). **Note:** "Long-term debt" means general obligation debt payable over a period that exceeds one year.
- **Line 3** – enter a deduction for recycling payments under sec. 289.645, Wis. Stats., in the general fund budget. The fee is a \$7 per ton for solid or hazardous waste disposal at any licensed Wisconsin landfill. **Note:** Do not deduct your recycling program costs or state recycling aid payment.
- **Line 4** – enter a deduction for municipal revenue sharing payments in the general fund budget that your municipality will make to another municipality under sec. 66.0305, Wis. Stats. **Note:** Do not deduct your state shared revenues.
- **Line 5** – enter a deduction for unreimbursed expenses related to an emergency under sec. 323.10, Wis. Stats.
- **Line 6** – enter a deduction if your municipality is providing contracted services to another local government. You may subtract your budgeted general fund costs of providing the service up to the payment amount received from the other local government for providing the service.
- **Line 7** – net general fund operating budget expenditures. This field auto-fills based on what is entered on Lines 1-6.

Budget Adjustments for Transfer of Services

For 2017 (in Col. 2), enter the adjustments for first-year transfer of services between local governments (ex: another town, village, city, county, or school district). **Note:** If reporting amounts in this section, you must attach documentation providing how the amount was calculated.

- **Line 8** – if your municipality transferred a service to another local government starting in 2018, enter a deduction for your budgeted 2017 general fund costs of providing that service
- **Line 9** – if your municipality assumed a service from another local government which impacted your general fund budget for the first time in 2018, enter the other government's 2017 budgeted costs of providing that service
- **Line 10** – adjusted general fund budget expenditures. For 2017, this auto-fills based on what is entered on Lines 8 and 9. For 2018, this auto-fills with the amount on Line 7.

Budget Change Calculation

This section calculates your general fund budget percentage change from 2017 to 2018 based on what is entered on Lines 1 through 10.

- Your general fund budget percentage change is rounded to the nearest hundredth (ex: 1.89%). It must be **less than** your allowable percentage increase provided by DOR.

Example 2:

	Allowable % Increase (provided by DOR)	Calculated % Change	Calculated % Change (rounded to nearest hundredth)	Does the Municipality Qualify? (Yes or No)
Municipality A	2.9%	2.893%	2.89%	Yes
Municipality B	2.9%	2.899%	2.90%	No
Municipality A qualifies for ERP since its calculated percentage change (rounded to nearest hundredth) is less than the allowable percentage increase. Municipality B does not qualify.				

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Second main paragraph of text, starting with "The second part of the report..."

Third main paragraph of text, starting with "The third part of the report..."

Fourth main paragraph of text, starting with "The fourth part of the report..."