



**CITY OF WAUSAU**  
Wausau, Wisconsin

**POPULAR ANNUAL FINANCIAL REPORT**  
For the Year Ended December 31, 2019

CITY OF **WAUSAU**





# CITY OF WAUSAU – POPULAR ANNUAL FINANCIAL REPORT

## Introduction

To the Residents of the City of Wausau:

I am pleased to present to you the City’s first ever Popular Annual Financial Report. Financial information within this report comes directly from the City’s independently audited Certified Annual Financial Reports (CAFR), which are also available on the City’s website (<https://www.ci.wausau.wi.us/Departments/Finance/AnnualFinancialReports.aspx>), along with supporting statistical information from the Wisconsin Department of Revenue, and City departments. I recognize that the CAFR contains a vast amount of information that can be intimidating and obscure to those without an accounting background. Therefore, in an effort for greater transparency and accountability to the City’s residents and other interested parties, I have created this report to summarize information about the City’s fiscal activities in a concise and more easily understandable format. My hope is that this report will encourage participation in the fiscal affairs of the City by those less familiar with the complexities of government accounting and financial reporting.

This report will cover information on the City’s property taxes, General Fund, overall debt activity, Capital Improvements Fund, Tax Increment District Funds, and the City’s Water and Wastewater Utility Funds. Further financial information on the City’s funds and component unit, and an analysis by management regarding the City’s financial performance, can be found in the City’s CAFR, which was prepared in accordance with Generally Accepted Accounting Principles (GAAP) and audited by the public accounting firm CliftonLarsonAllen LLP. The City’s CAFR has been submitted for the Certificate of Achievement for Excellence in Financial Report Award by the Government Financial Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government reporting, and the City has received the award each of the past 21 years.

I appreciate your interest in the City’s finances and welcome any feedback, comments, or concerns regarding the information in this report.

Sincerely,



Robert Splinter, CPA  
Assistant Finance Director

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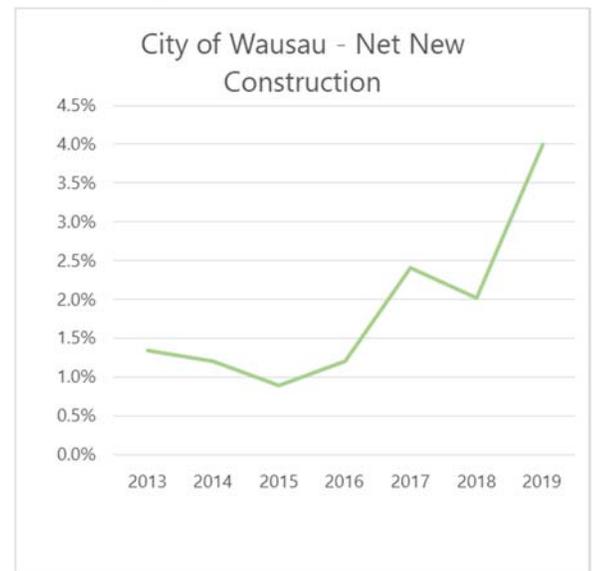
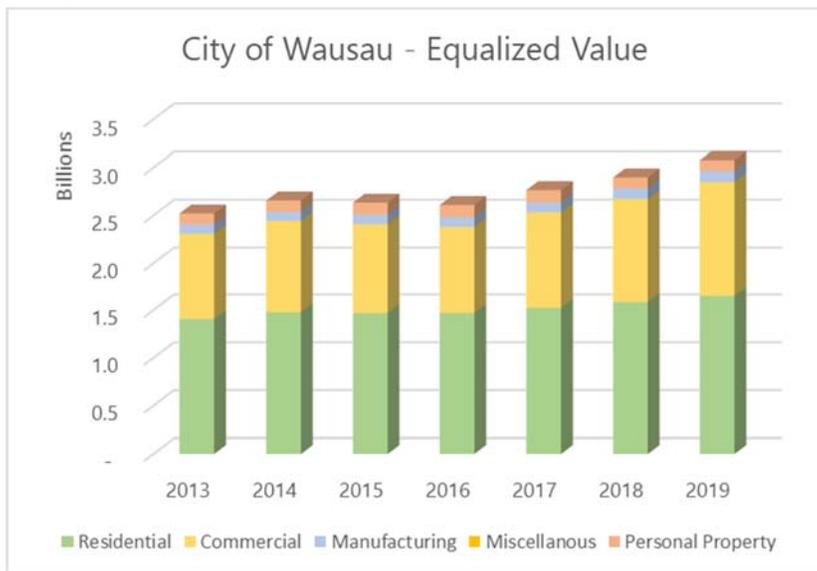
## Your City – Wausau, WI

Wausau is the county seat of Marathon County, which is Wisconsin’s largest county, covering 1,584 square miles. The County’s population per the 2010 census was 134,063, which includes the City’s census population of 39,106. The City operates under the mayoral form of government. Policy making and legislative authority are vested in a governing council consisting of eleven alderpersons, elected by district, who serve two-year terms. The elected mayor serves a four-year term. The City of Wausau provides a full range of municipal services, including police, fire protection, paramedic, sanitation, water and wastewater, recreation, public works, and administrative support services. In addition, the City facilitates economic and neighborhood development. These services are funded from various sources which include: property taxes, room tax, cable franchise fee, grants, user fees, and revenues from municipally owned utilities.



<b>Largest Taxpayers - 2019</b>		<b>Assessed Value</b>
<b>Ghidorzi</b>	<b>Real Estate Development</b>	<b>\$ 75,698,800</b>
<b>Aspirus/Wausau Hospital</b>	<b>Medical</b>	<b>65,631,000</b>
<b>Marshfield Clinic</b>	<b>Medical</b>	<b>33,446,400</b>
<b>Apogee/Wausau Metals</b>	<b>Manufacturing</b>	<b>29,672,400</b>
<b>Wausau Benefits/Fiserv</b>	<b>Insurance</b>	<b>27,860,900</b>
<b>Eastbay</b>	<b>Retail/Distribution</b>	<b>26,624,700</b>
<b>First Wausau Tower</b>	<b>Office</b>	<b>25,262,100</b>
<b>L &amp; L Properties LLC</b>	<b>Apartments</b>	<b>18,340,800</b>
<b>Kocourek Holdings LLC</b>	<b>Car Dealer</b>	<b>17,994,600</b>
<b>Incredible Bank</b>	<b>Banking</b>	<b>15,242,000</b>

One of the primary statistics used to determine the size of a municipality is the dollar value of the property within the municipality’s borders. The assessed value is the value placed on each parcel by the City’s Assessor. However, because assessors in different taxing districts value property at varying percentages of market value, the Wisconsin Department of Revenue converts the assessed values to a uniform level through equalization. The calculated amounts are called equalized values or “estimated fair market values” and are a better source when comparing values across different municipalities. The change in the City’s equalized value due to new growth less any demolition of buildings is termed “net new construction”.



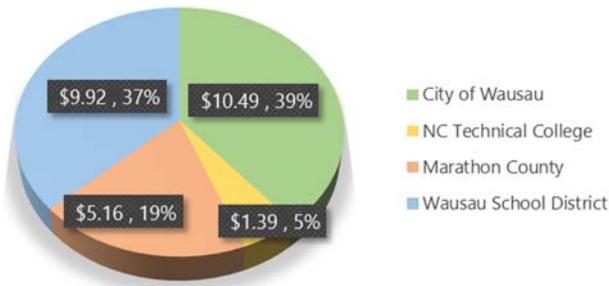


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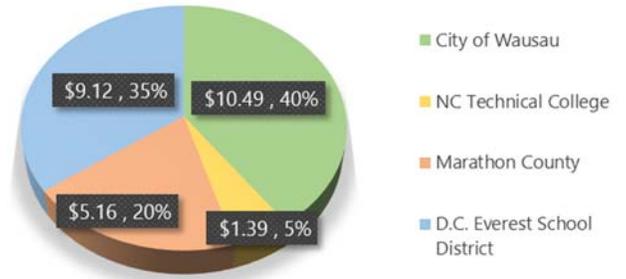
Property Taxes

The City collects property taxes for several different taxing jurisdictions including Marathon County, North Central Technical College, and two school districts. The vast majority of the City is located within the Wausau School District, with a smaller portion of the City in the D.C. Everest School District. The chart below shows a breakdown of the 2019 tax rate by jurisdiction per \$1,000 of assessed value.

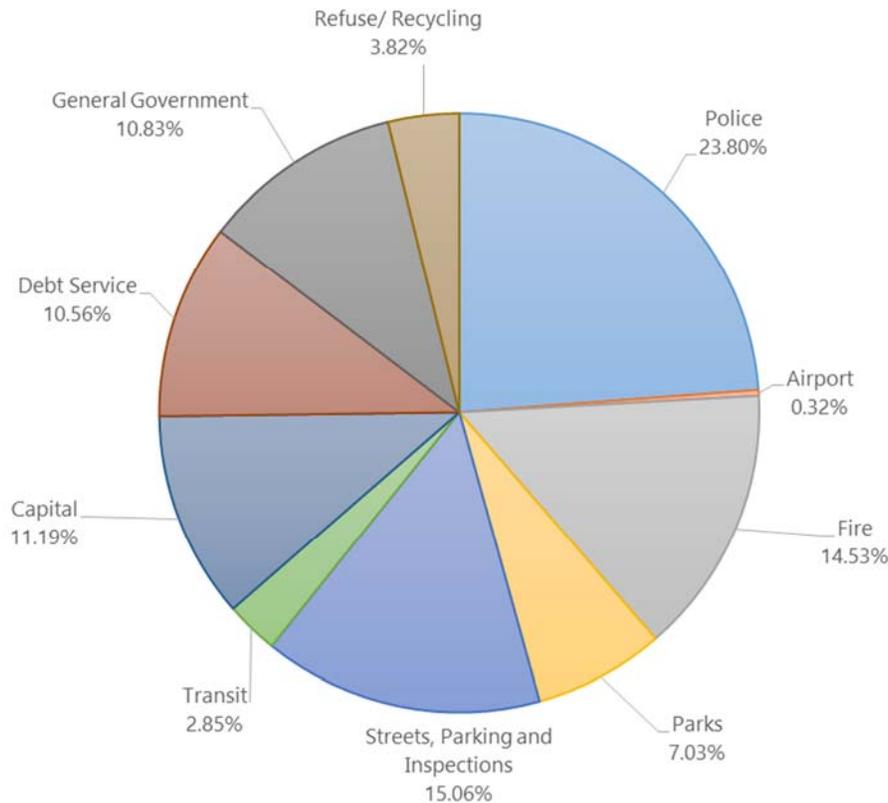
**Wausau Tax Rate Per \$1,000 -  
Parcels in Wausau School District**



**Wausau Tax Rate Per \$1,000 -  
Parcels in D.C. Everest School District**



Each dollar of property tax collected for the City is allocated between various operations of the City as shown below.





*General Fund*

The General Fund is the City’s primary operating fund, and accounts for the revenue and expenditures associated with operating traditional local governmental services such as police, fire, parks, and public works.

**Revenues**

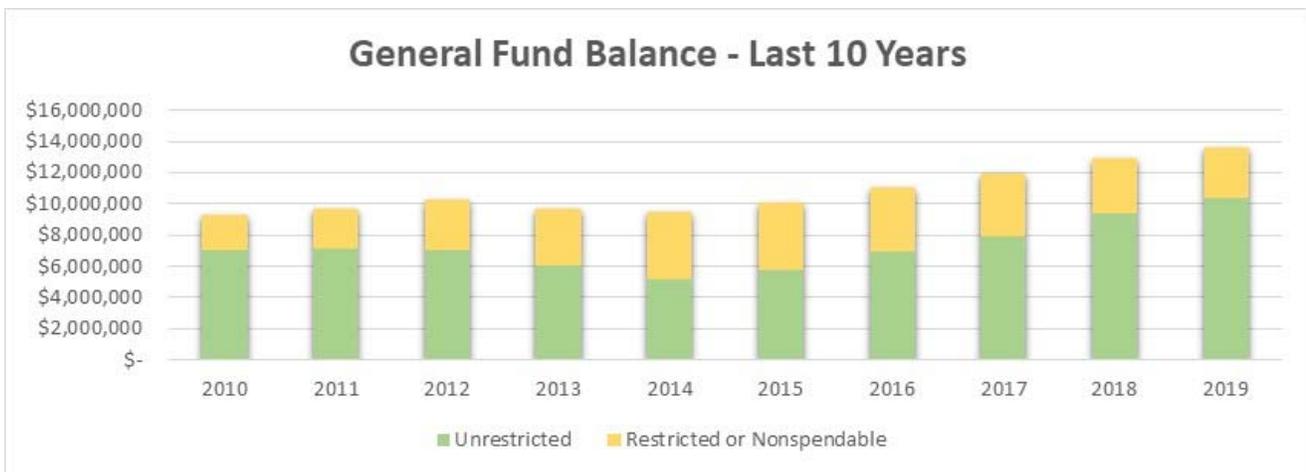
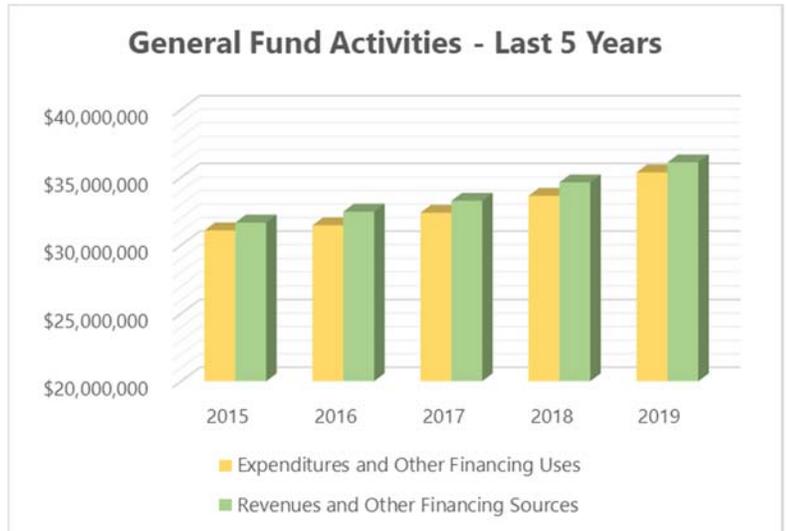
In 2019, the City budgeted to receive \$34,434,643 in General Fund revenues, with a majority (\$18,232,895) coming from general property taxes. The City realized \$36,103,425 in revenues, exceeding budget by \$1,668,782. Revenues generated by permits and interest earned on investments were the primary drivers of surplus in overall revenues.

**Expenditures**

Budgeted expenditures for the City’s General Fund for 2019 were \$35,528,663. Actual expenditures for the year were \$35,360,033, which is \$168,630 less than budget. Notably, departments considered “general government” combined to have expenditures short of budget by \$425,593. Public safety departments were short of their budgets by \$159,661. The parks department was short of its budgeted expenditures by \$131,692. Lastly, as a direct result of the record breaking snowfall witnessed during the winter months of 2019, the public works department was over budget by \$605,737.

**Fund Balance**

The fund balance of the General Fund increased \$743,392 to \$13,631,075. Unassigned fund balance increased by \$1,179,218 from 2018 due to positive operating results as explained above. As a measure of the General Fund’s liquidity, it’s useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents 29.78% of general fund expenditures, while total fund balance represents 39.24% of the same amount.



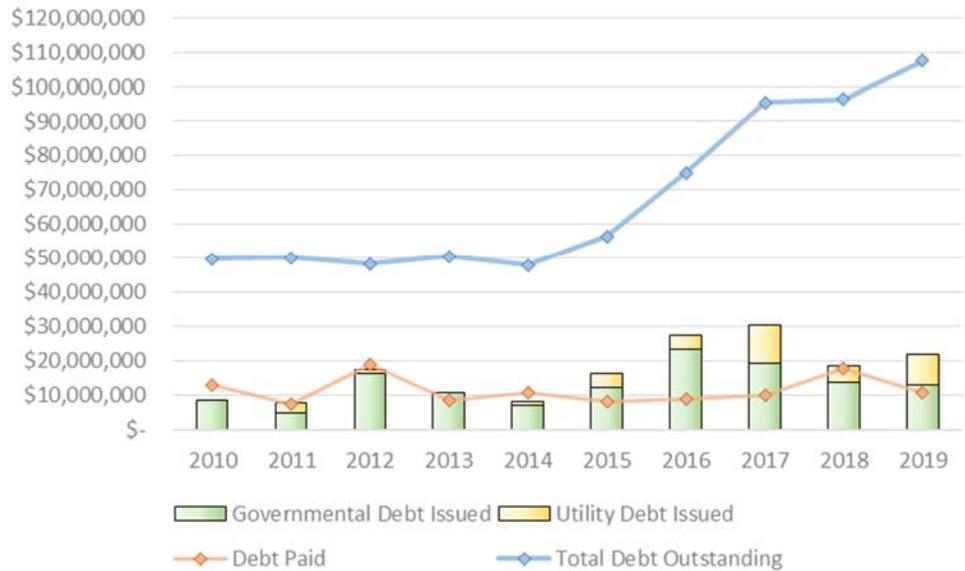


*Debt*

The City’s often issues debt to support projects that cannot be financed from current revenues. One benefit of issuing debt to pay for large projects is that it produces “intergenerational equity”, which matches the cost/payment for projects with those who benefit from the use of the assets. In other words, the debt payments will be made by future generations that use the assets acquired through the project rather than previous generations that did not have access to the particular asset.

In 2019, the City made scheduled payments and issued \$12,695,000 of general obligation notes and bonds for street projects and the construction of the west-side fire station. \$9,225,000 of utility revenue bonds were also issued, which financed the costs of capital improvements to the City’s water and wastewater systems.

**Overall Debt Activity - Last 10 Years**



In accordance with Section 67.03 Wisconsin Statutes, the total indebtedness of the City for general purposes (termed general obligation debt – or “G.O. Debt”) may not exceed 5% of the value of the taxable property located therein for state purposes. This excludes the utility revenue bonds and other anticipation notes that the city holds, which are not secured by a pledge to use all available resources – including tax revenues – to repay holders of the debt.

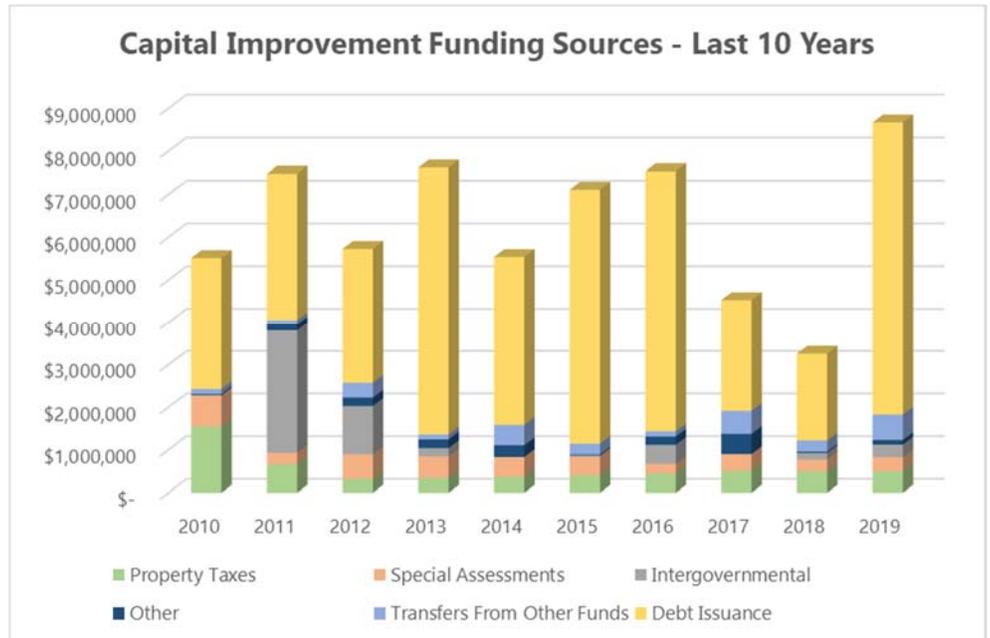
**Debt Margin - Last 10 Years**



*Capital Improvements Fund*

The Capital Projects Fund is used to account for expenditures relating to the City’s annual capital improvements plan. The expenditures are financed by general property taxes, special assessments and proceeds of general obligation debt.

Capital projects are developed by city departments and submitted to the Committee of the Whole for evaluation and ranking. The Capital Improvements and Street Maintenance Committee (CISM) along with engineering staff reviews and recommends infrastructure projects. Revenues and other financial resources are reviewed to determine the available level of funding and the overall capital projects budget is formulated. This budget is incorporated into the operating budget prior to presentation to the Finance Committee. The chart above shows the financing sources for the capital improvements fund over the last 10 years.



The chart above shows the financing sources for the capital improvements fund over the last 10 years.

A couple of the projects financed through the capital projects fund in 2019 are illustrated below:

*The \$4.9M West Side Fire Station was financed by the capital improvements fund in 2019.*

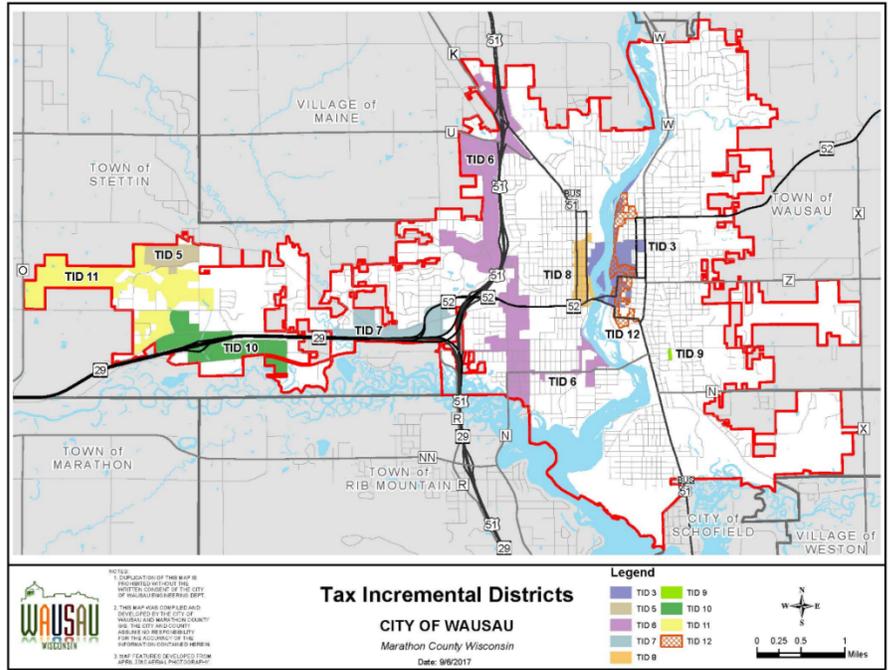


*The reconstruction and redesign of Townline Road on Wausau’s east side was financed through the capital improvements fund in 2019.*

Tax Increment Districts

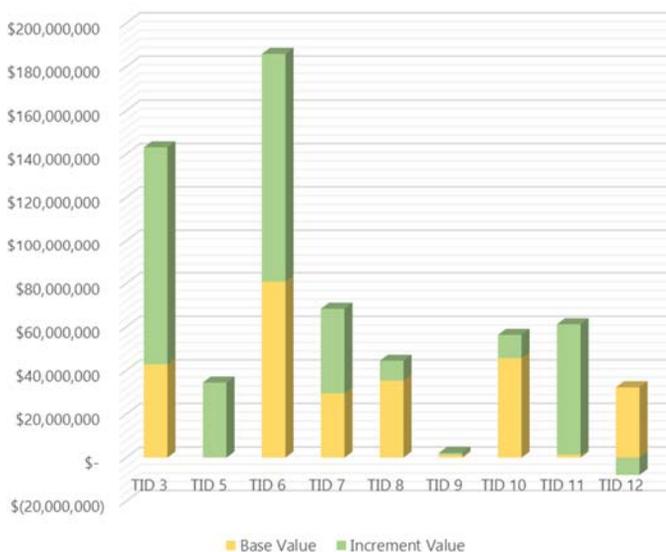
Tax increment financing (TIF) is a financial tool widely used by local governments to promote economic development and redevelopment. The TIF process splits tax revenue generated from properties within the district into two components:

- Base value: This is the assessed value from which tax revenues are generated before the tax increment district (TID) is established; tax revenues generated from base values are shared among the taxing jurisdictions included on page 3.
- Incremental value: This is the additional value generated in the TID since its creation; this is largely due to the undertaken project increasing the total assessed value within the district. When the City sponsors the project, the tax revenues generated from the incremental value are allocated fully to the City to assist in repaying related project costs. After a TID closes all taxing jurisdictions share the added revenue.



The City of Wausau had 9 TID's in 2019, and further detail regarding projects being undertaken and financial information on each can be found on the City's website (<https://www.ci.wausau.wi.us/Departments/Finance/TaxIncrementDistrict.aspx>).

TID Values



A couple of the largest projects undertaken in 2019 were the transport of Wausau Chemical and Great Lakes Cheese facilities from TID 3 and TID 12 to the expanded Wausau Business Campus in TID 11. Great Lake Cheese's new \$80,000,000 packaging plant is now in operation, and Wausau Chemical's \$10,000,000 warehousing facility will open soon. The demolition of their old facilities is the reason TID 12 is showing a negative increment value in 2019, however the City is planning for redevelopment of the district, which encompasses miles of shoreline along the Wisconsin River. In the City's CAFR, some TID's are showing negative fund balances as of December 31, 2019, and some of those balances are attributable to the time delay between when a project takes place and when the increment value produced gets captured on the tax roll.



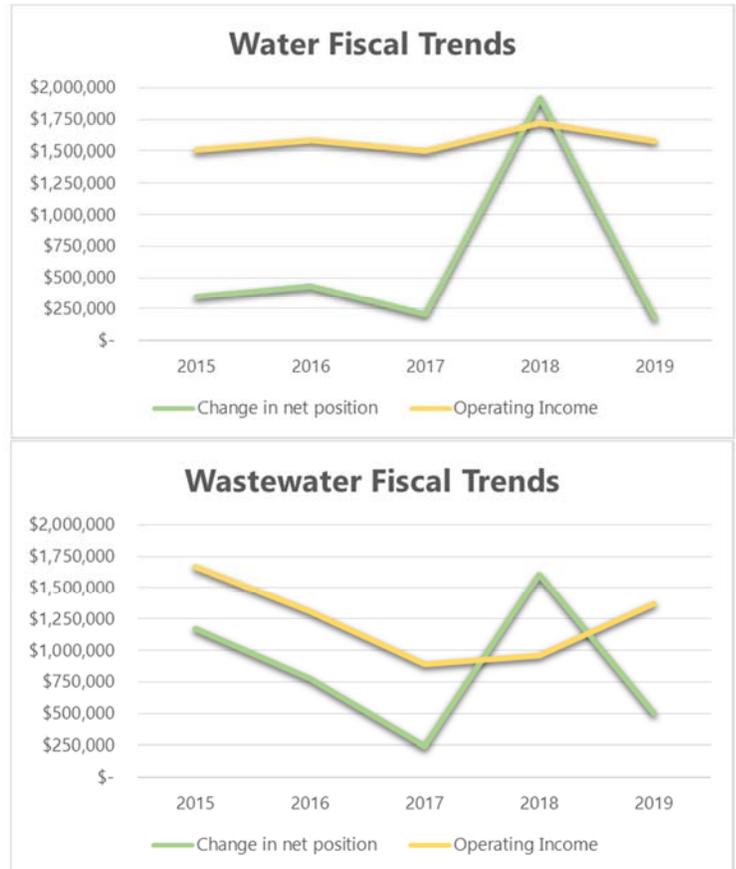
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## Water & Wastewater Utility Funds

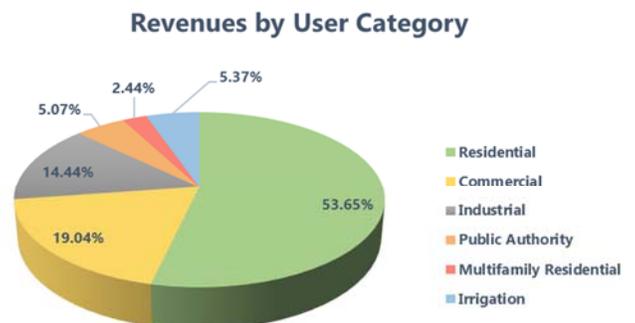
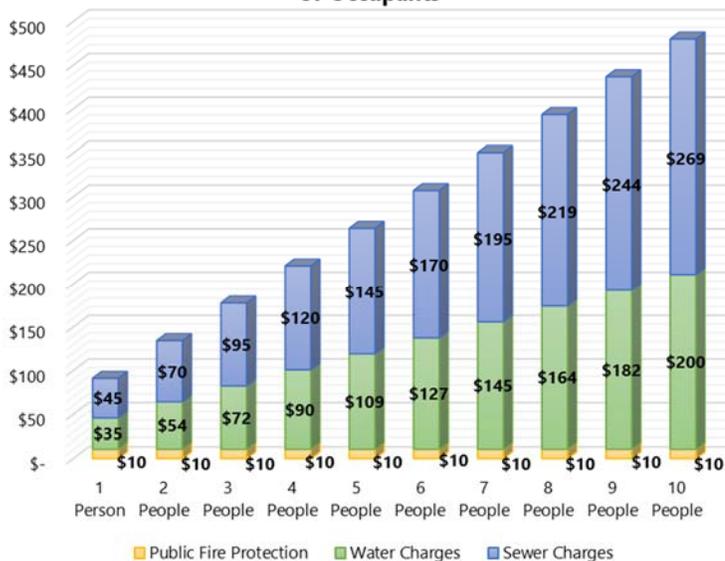
The City’s Water and Wastewater Utility Funds are enterprise funds which function as separate business-type units of the City, as they are funded almost entirely by user fees, contrasting from governmental type funds that are funded mainly by general property taxes.

All enterprise funds report an operating income and a total change in net position. Operating income is the amount of revenues less operating expenses, whereas the total change in net position factors in non-operating revenues and expenses such as Wisconsin Public Service Commission (PSC) mandated payments in lieu of taxes to the general fund, as well as capital contributions the utility funds may receive from governmental funds. A great example of a capital contribution made to the utility funds was in 2018 when various water and sewer assets were constructed in the expanded business campus and financed by TID 11.

In 2019 the Water Utility Fund recognized \$5,713,114 in total charges for services and sales, and a positive change in net position of \$175,303. The Water Utility Fund had a positive change in net position of \$175,303. The Wastewater Utility Fund recognized \$6,096,778 in total charges for services and sales, and reported a positive change in fund balance of \$504,499.



**2019 Average Quarterly Residential Bill by Number of Occupants**





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### *Getting More Information*

The City's website ([www.ci.wausau.wi.us](http://www.ci.wausau.wi.us)) provides information about City services and departments, demographics, local attractions, community events and much more. Residents may also take advantage of the many online services on the website including utilizing online bill payments, viewing meeting videos, agendas, and minutes, and finding street project and election information.

Many announcements and current information can be found posted to the City's facebook page. The City's Police Department and Public Works Department also have dedicated facebook pages to update residents on happenings more specific to their departments.

#### **Administrative Staff as of June 30, 2020**

Maryanne Groat	Finance Director / City Treasurer
Leslie Kremer	City Clerk
Anne Jacobson	City Attorney
Benjamin Bliven	Police Chief
Tracey Kujawa	Fire Chief
Richard Rubow	City Assessor
Eric Lindman	Director of Public Works & Utilities
William Hebert	Chief Inspector & Zoning Administrator
Christian Schock	Community Development Director
Toni Vanderboom	Human Resources Director
Jamie Polley	Parks Director
John Chmiel	Airport Manager
Greg Seubert	Transit Lines Manager

#### **Elected Alderpersons as of June 30, 2020**

Patrick Peckham	District 1
Michael Martens	District 2
Tom Kilian	District 3
Tom Neal	District 4
Jim Wadinski	District 5
Becky McElhane	District 6
Lisa Rasmussen	District 7
Sarah Watson	District 8
Dawn Herbst	District 9
Lou Larson	District 10
Debra Ryan	District 11

