



CITY OF JANESVILLE

Wisconsin's Park Place

**Popular
Annual
Financial
Report**



**For Fiscal Year Ended
December 31, 2018**

A Message from our City Manager

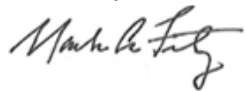
To the Citizens of the City of Janesville:

I am pleased to present you the City of Janesville's Popular Annual Financial Report (PAFR) for the year ended December 31, 2018. The City has developed this report to communicate the financial operations and financial condition of the City in a user-friendly format. The PAFR is derived from the 2018 Comprehensive Annual Financial Report (CAFR). The CAFR contains financial statements which are prepared according to Generally Accepted Accounting Principles and audited by an independent Certified Public Accountant in accordance with Generally Accepted Audit Standards. I am proud to say that the City of Janesville has been awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association for each of the past 25 years.

In addition to providing financial information, this report demonstrates what makes Janesville a great place for people to plant their roots. The City is home to over 20 thriving primary and secondary schools, two universities, and a wide variety of diverse businesses. This report demonstrates the importance of City government supporting these activities.

I welcome any feedback, comments, or concerns regarding the information included in this report.

Sincerely,



Mark A. Freitag
City Manager



The City participated in the fifth annual "Make A Difference Day" with UW-Whitewater.

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CITY OF JANESVILLE

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Janesville at a Glance

The City of Janesville was incorporated in 1853 and is located in south central Wisconsin about ten miles north of the Illinois border. The City operates under the Council-Manager form of government with the City Council providing policy direction while the City Manager oversees the day-to-day operations of the organization. Janesville is a great place to plant your roots and raise a family!

Municipal Services

- Assessor's Office
- Attorney's Office
- City Manager's Office
- Clerk-Treasurer's Office
- Economic Development Office
- Finance Office
- Fire/EMS Department
- Hedberg Public Library
- Human Resources Office
- Information Technology Office
- Neighborhood and Community Services Department
- Police Department
- Public Works Department



Largest Employers

- Mercyhealth
- School District of Janesville
- Rock County
- Grainger Brands
- Data Dimensions
- Prent Corporation
- City of Janesville
- SSI Technologies, LLC

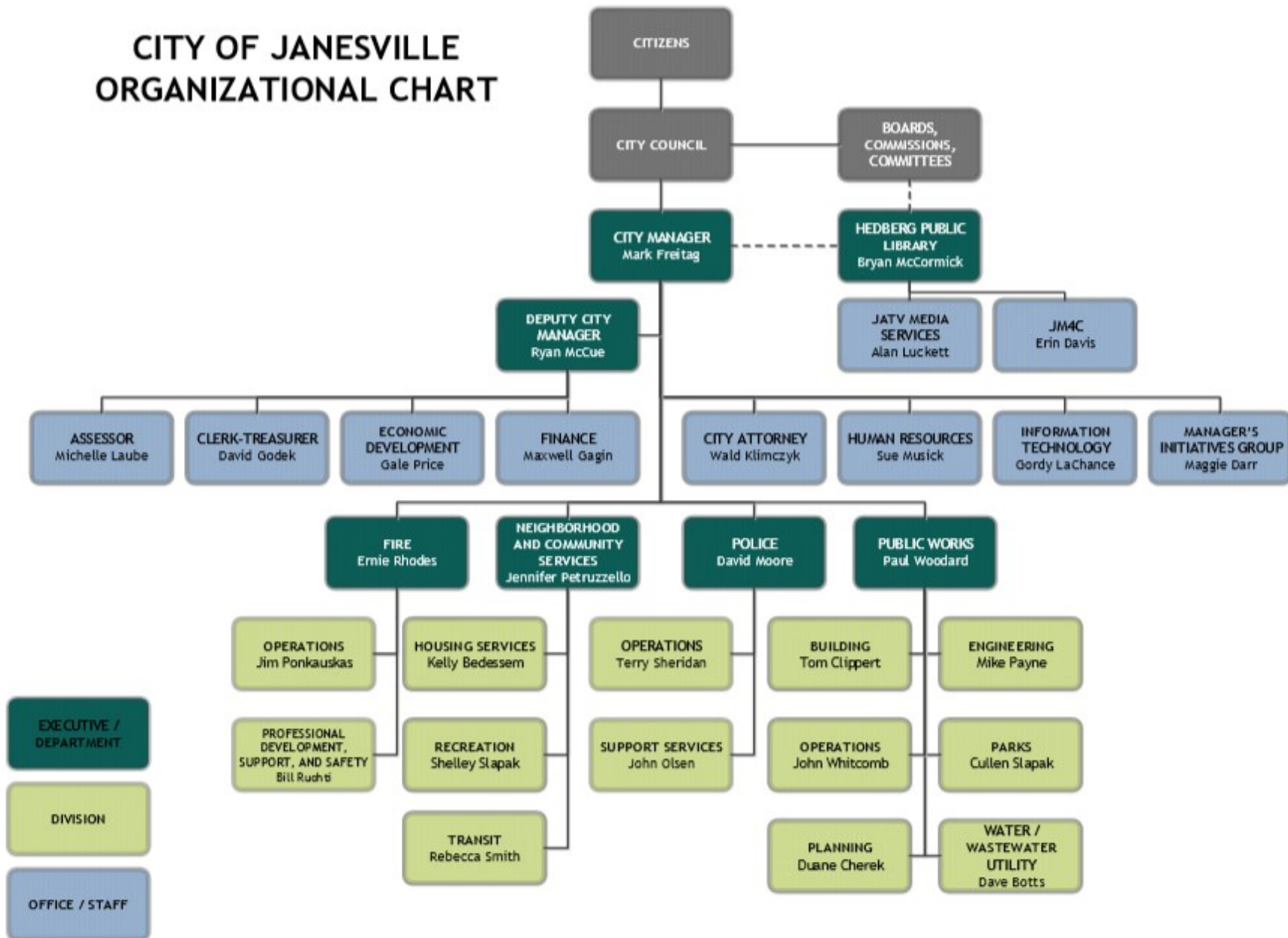
Community Profile

Population ¹	64,565
Median Income ¹	\$52,617
Median Age (Years) ¹	39
Unemployment Rate (April 2019) ²	2.7%
Poverty Rate ¹	13.3%
Total Number of Households ⁵	28,120
Median Home Value ¹	\$131,600
Equalized Assessed Value (Levy Year 2017) ³	\$4,605,978,000
City of Janesville Full-Time Equivalent Employees ⁴	536.40

Sources

- ¹ U.S. Census Bureau Estimates
- ² WI Department of Workforce Development
- ³ 2018 Comprehensive Annual Financial Report
- ⁴ 2018 Annual City Budget
- ⁵ City of Janesville Building Division

CITY OF JANESVILLE ORGANIZATIONAL CHART





CITY OF JANESVILLE

Wisconsin's Park Place

2018 City Stats

10,257 Fire Department calls for service

66,683 Police Department activities



265,042 Recreation program participants

186 new hires & promotions (including seasonal)

66

jobs created through Tax Increment Financing Development Agreements

12

miles of streets rehabilitated



\$400,000 in donations to Hedberg Public Library's "Transform Your Library" Capital Campaign (to date, donations at \$1.4 million!)

12,619 potholes filled

473

families assisted monthly through Rental Assistance Program

82



new home building permits issued

376,196 rides provided by JTS

1,440 water meters installed



125 water main breaks repaired

So Many Ways to Stay Connected !



nixle



www.ci.janesville.wi.us



CITY OF JANESVILLE

Wisconsin's Park Place

Awards and Accomplishments

Certificate of Achievement for Excellence in Financial Reporting Program (CAFR Program): In 2018, the City of Janesville received this award for fiscal year 2017. This marks the 25th consecutive year the City has received this award.

Top Ten Public Works Leader Award: Public Works Director Paul Woodard received this American Public Works Association (APWA) award in 2018. APWA recognizes public works professionals with remarkable service accomplishments from across the nation. This award honors an individual's dedication and advancement of the field throughout the duration of their career (Pictured Right).



Summer Champion of Youth Mental Health First Aid: Janesville Mobilizing 4 Change received this award from the National Council for Behavioral Health for administering Youth Mental Health First Aid courses and providing support and education to communities fighting emotional and addictive circumstances.

Tree City USA: In 2004, the City of Janesville received this award for the first time. This marks the 18th consecutive year the City has been designated as a "Tree City". One of the qualifications for receiving this distinction is celebrating Arbor Day (Pictured Left).

Community Improvement Award: The Janesville Police Department received this award from Forward Janesville, Inc. for its proactive outreach with the community in 2018 (Pictured Left).



Bird City Wisconsin: Since 2013, the City of Janesville has been designated a Bird City Community every year. The mission that accompanies this distinction involves taking steps to make the community a safer and healthier habitat for birds and members of the community alike.



CITY OF JANESVILLE

Wisconsin's Park Place

Wisconsin's Park Place

Wisconsin's Park Place offers diverse opportunities with its 2,590-acre park system which includes 64 improved parks. Janesville's parks are divided into categories that include regional parks, community parks, neighborhood parks, greenbelts, and open spaces. Regional parks are designed to provide recreational opportunities to all local residents and those from surrounding communities. Meanwhile, community parks are designed to serve residents within a radius of a few miles. Lastly, neighborhood parks are designed to service the individual neighborhoods in which they are located. The various parks provide an arboretum, Lion's Beach, outdoor swimming at Rockport Pool and the Palmer Wading Pool, the Riverside Splash Pad, tennis courts, six lighted softball fields, sledding hills, ten miles of cross-country ski trails, 30+ miles of paved bike trails, and picnic pavilions.



2018 Major Park Accomplishments

Completed Excalibur Playground (Pictured Right)

Completed Prairie Playground (Pictured Left)

Completed First pickleball courts constructed in Riverside Park (Pictured Middle Left)





CITY OF JANESVILLE

Wisconsin's Park Place

2019 - 2023 Strategic Plan

The 2019-2023 Strategic Plan serves as the road map over the next five years to guide the community's vision to become **THE COMMUNITY OF CHOICE TO REALIZE LIFE'S OPPORTUNITIES**. The Plan outlines goals coupled with objectives and strategies to help the City make significant, measurable improvements.

VISION: WISCONSIN'S PARK PLACE: Discover the community of choice to realize life's opportunities.

MISSION: To innovatively provide effective municipal services that are responsive to the needs of residents, businesses, and visitors and delivered in a reliable, efficient manner in order to sustain Janesville as the community of choice.

STRATEGIC GOALS:

DOWNTOWN

To position our downtown as a vibrant neighborhood where commerce, culture, entertainment, and history intersect.

FINANCIAL SUSTAINABILITY

To remain a responsible and forward-thinking steward of financial resources.

INFRASTRUCTURE

To build upon the community's foundation of well-planned, maintained, dependable, and sustainable infrastructure.

PERFORMANCE CULTURE

To cultivate an organizational environment that empowers an engaged, innovative, and diverse municipal employee base.

SAFE & HEALTHY COMMUNITY

To advance safety and overall well-being of residents and neighborhoods through cooperation and encouraging an active lifestyle.

ECONOMY

To facilitate continued growth and diversification of our local economy.

IMAGE & ENGAGEMENT

To strategically communicate the City's strengths, priorities, and initiatives while maintaining trust and confidence through effective engagement.

PARTNERSHIPS

To embrace and enhance collaboration with local, regional, national, and global stakeholders to realize shared success.

ROCK RIVER CORRIDOR

To promote, enhance, and respect the unifying feature of our community.



Park Place Performs! is an online dashboard enabling the community to track progress of the City's strategic goals. Explore today by visiting performance.ci.janesville.wi.us.

Visit www.ci.janesville.wi.us/strategicplan to view the full 2019-2023 Strategic Plan.

What's Happening Around the City



Economic Development facilitated Tax Increment Financing Development Agreements to spur \$24.4 million in private investment and create 66 new jobs.



The Janesville Fire Department was recognized as having one of the top three best cardiac survivability rates of any city in the nation at 45 percent.



The fourth floor of City Hall, including the Council Chambers, underwent renovations and updates. The City hosted a Re-dedication Ceremony of the Chambers exactly 50 years to the day after the original dedication of City Hall.



The City celebrated the completion of "Festival Street", a two-block section of River Street next to the Cullen Pavilion and the "Bubbler" or interactive water feature designated for community events.



The Janesville Transit System secured federal and state grant funding to replace 14 of their 17 buses, covering 80 percent of the total cost.



In 2018, the City constructed the Outdoor Fitness Court. This is the first outdoor workout facility of its kind in the State of Wisconsin.



CITY OF JANESVILLE

Wisconsin's Park Place

City Funds

The City utilizes five main fund types to account for governmental services. These funds are grouped into two separate categories: governmental activities and business-type activities. Governmental activities are the basic services provided by the City and include services such as public safety (police and fire); public works; parks and recreation; library; and general administration. Business-type activities include water and sewer services. These are considered business-type activities because fees are charged to customers to cover the cost of providing these services.

General Fund

The chief operating fund of the City, includes general government; public safety; public works; parks and recreation; neighborhood and community services; and economic development expenses.

Special Revenue Funds

Account for activities where dollars are restricted to specific purposes such as the Hedberg Public Library, Tax Increment Financing (TIF) Districts, the landfill, and grants.

Capital Projects Funds

Account for construction and acquisition of major capital assets including vehicles and equipment.

Debt Service Fund

Account that provides for the repayment of long-term debt associated with capital projects.

Enterprise Funds

Account for the activities that operate much like a business in that services are supported by user fees such as the Water and Wastewater Funds.

This is a summarized report presented to citizens to better understand the City of Janesville's 2018 Comprehensive Annual Financial Report (CAFR). This report is largely derived from the 2018 CAFR and utilizes the same measurement focus and basis of accounting. However, it is not prepared in accordance with generally accepted accounting principles (GAAP). The 2018 CAFR can be found on the City's website at www.ci.janesville.wi.us/2018cafr.

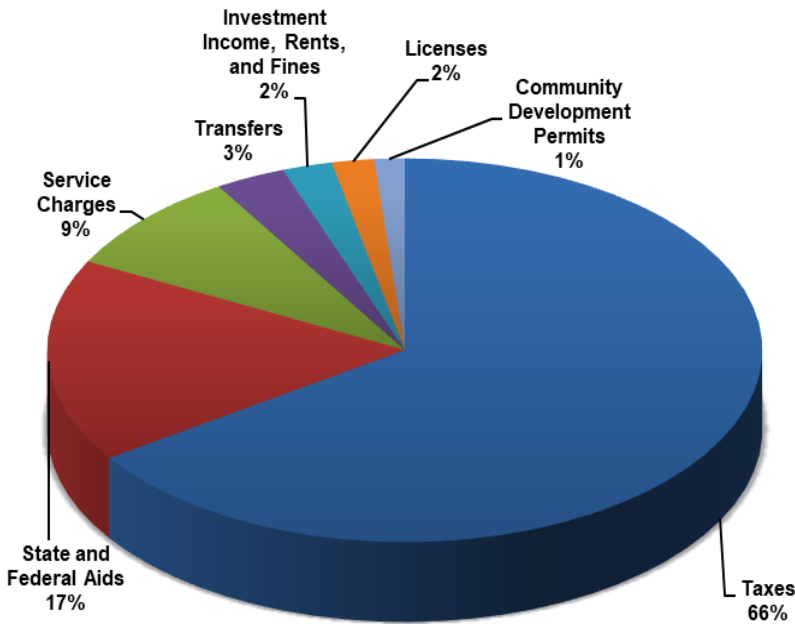


CITY OF JANESVILLE

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General Fund

The General Fund is the chief operating fund of the City and provides for municipal services that are primarily funded by property taxes.



Revenues

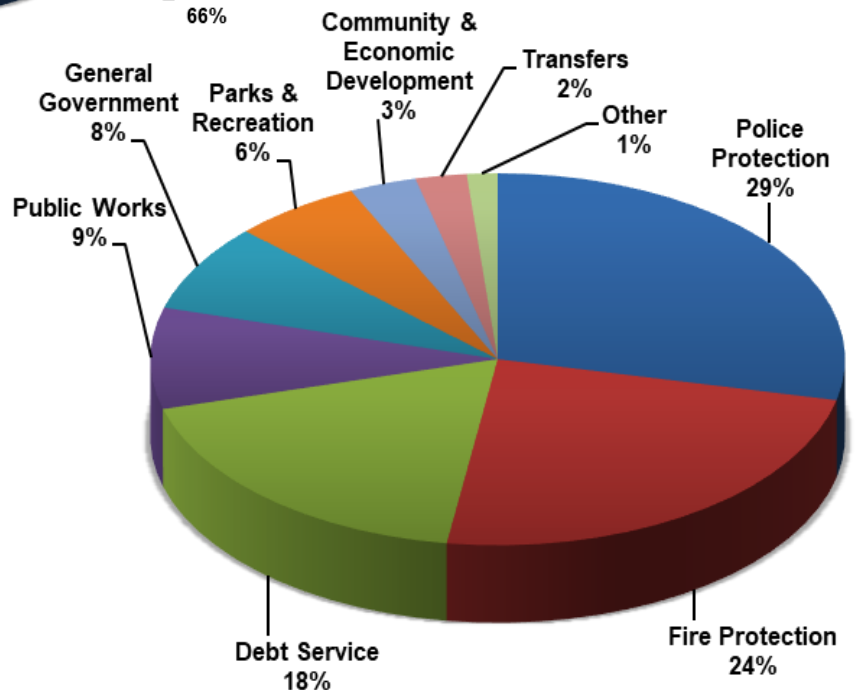
In 2018, the General Fund received \$50,172,318 in revenue.

The chart to the left depicts the variety of revenue sources collected in the General Fund. The General Fund's largest source of revenue is from taxes at \$32,854,924, or 66%, followed by state and federal aids at \$8,611,027, or 17%. Community development permits account for the least amount of revenue at \$689,887, or 1%.

Expenses

In 2018, the General Fund had \$49,072,954 in expenses.

The chart to the right depicts the variety of programs funded by the General Fund. The General Fund's largest expenses were for public safety (Police and Fire) at \$25,686,708, or 53%. The next largest expense was for debt service payments at \$8,993,651, or 18%. The smallest expense category was for other expenses at \$701,803, or 1%.



In 2018, the difference between actual General Fund revenues and expenses resulted in a \$1,099,364 increase in fund balance. The General Fund ended the year with a fund balance of \$9,372,272.



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Property Taxes

Property taxes are the City's largest source of revenue, used to pay for library and city-provided services such as police protection; fire protection; parks and recreation; snow removal; and much more. About two-thirds of the costs to administer City government and library services are funded through property taxes. The remaining non-property tax revenue comes from financial aid from the State of Wisconsin, user fees, permit fees, non-property taxes, interest, rents, or fines.

To the left is the average home's City tax bill broken down by cost per service per month. The property taxes by service percentages differ from page 10 as transfers, subsidies, and debt service are allocated to the corresponding services and each service is credited for program revenue. Once complete, the remainder is an allocation of the tax levy for each service.

The average home's \$88.93 monthly bill covers municipal government services, but does not provide state and county services. The property tax bill adds together the tax levy of four different taxing jurisdictions, not just the City of Janesville. Instead of requiring that separate bills be paid to each governmental unit, the levies from all four are combined into one bill. After the property tax bill is paid, the money is divided and each taxing jurisdiction receives its share. The distribution of property taxes by jurisdiction can be found below:

MONTHLY TAX BILL FOR AVERAGE HOME*		
Service	Amount	%
Police Protection	\$26.07	30%
Fire Protection	\$18.23	20%
Public Works	\$17.12	18%
General Government	\$8.85	10%
Library	\$8.35	10%
Parks and Recreation	\$5.54	6%
Janesville Transit System	\$1.92	2%
Community & Economic Development	\$1.56	2%
Other	\$1.29	2%
TOTAL	\$88.93	100%

- City of Janesville = 36%
- Janesville School District = 31%
- Rock County = 28%
- Blackhawk Technical College = 5%

* assessed value of \$122,200

- Police Protection
- Fire Protection
- Public Works
- General Government
- Library
- Parks and Recreation
- Janesville Transit System
- Community & Economic Development
- Other





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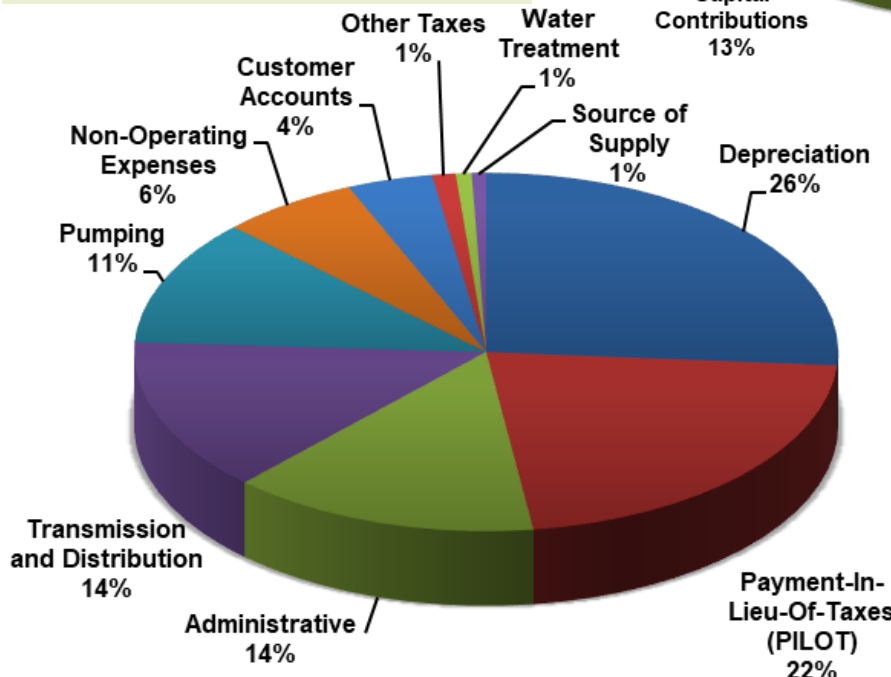
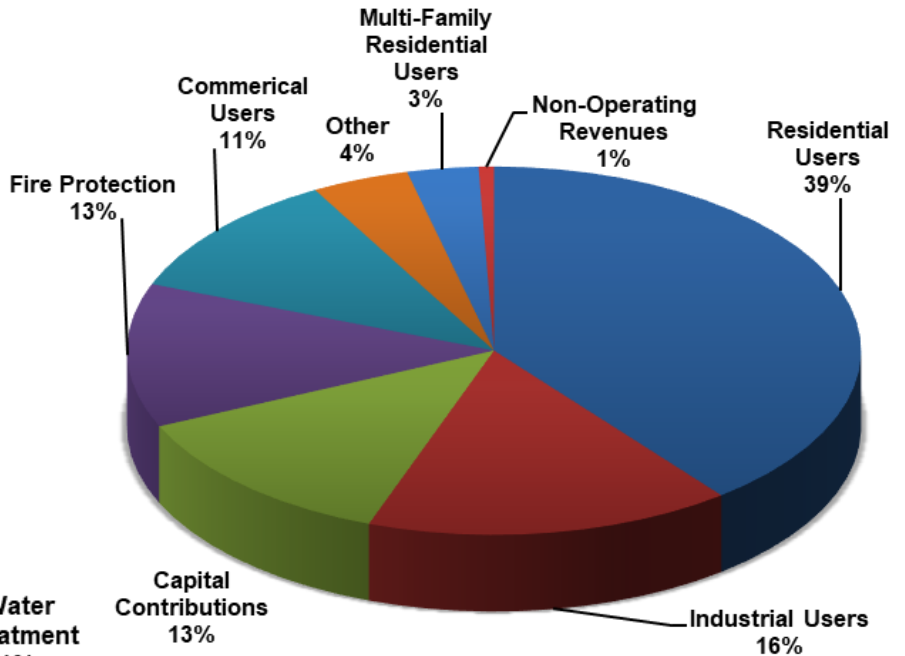
Water Utility

The Water Utility manages the water distribution system, which consists of a network of over 372 miles of water mains. The water supply for the City of Janesville includes the operation and maintenance of eight wells, three booster stations, two water storage reservoirs, and one elevated tower.

Revenues

In 2018, the Water Utility Fund received \$8,547,308 in operating revenue.

The chart to the right depicts the variety of revenue sources collected in the Water Utility Fund. The Water Utility's largest source of revenue is from residential users at \$3,886,406, or 39%, followed by industrial users at \$1,593,916, or 16%. Non-operating revenues account for the least amount of revenue at \$66,567, or 1%.



Expenses

The Water Utility Fund had \$5,290,752 in operating expenses in 2018.

The chart to the left depicts the variety of programs funded by the Water Utility Fund. The Water Utility's largest expenses were for depreciation at \$1,924,430, or 26%, and payment-in-lieu-of-taxes (PILOT) at \$1,592,033, or 22%. The smallest expense was for source of supply at \$48,518, or 1%.

In 2018, the difference between actual Water Utility Fund revenues and expenses resulted in operating income of \$3,256,556. The Water Utility Fund ended the year with net position, which represents total assets less total liabilities, of \$46,142,137. This is a \$2,521,079 increase in net position from 2017.

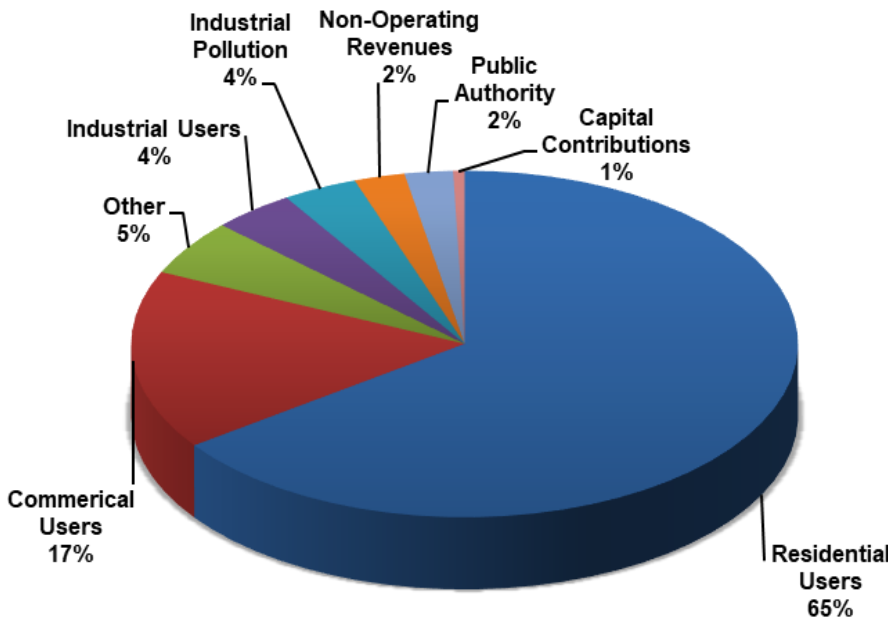


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Wastewater Utility

The Wastewater Utility manages the sewage collection system, which consists of about 323 miles of sewer main. Additionally, the wastewater treatment plant, located off Afton Road, tests and treats sewage in a manner that complies with all state and federal environmental regulations.



Revenues

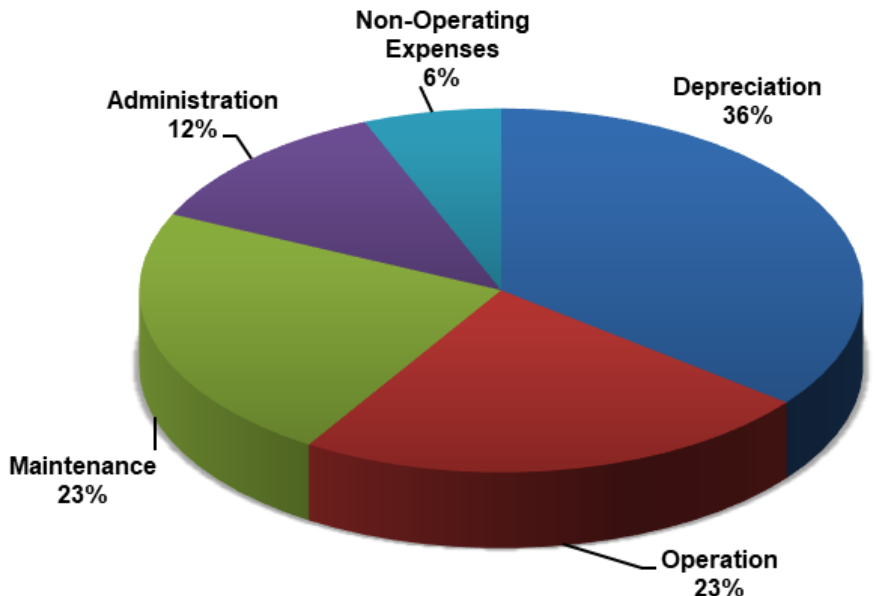
In 2018, the Wastewater Utility Fund received \$9,895,116 in operating revenue.

The chart to the left depicts the variety of revenue sources collected in the Wastewater Utility Fund. The Wastewater Utility's largest source of revenue is from residential users at \$6,635,931, or 65%. This is followed by commercial users at \$1,709,939, or 17%. Capital contributions account for the least amount of revenue at \$56,568, or 1%.

Expenses

The Wastewater Utility Fund had \$9,144,625 in operating expenses for 2018.

The chart to the left illustrates the variety of programs funded through the Wastewater Utility Fund. The Wastewater Utility's largest expenses were for depreciation at \$3,466,087, or 36%, and operations at \$2,275,160, or 23%. The smallest expense was for non-operating expenses at \$601,030, or 6%.



In 2018, the difference between actual Wastewater Utility Fund revenues and expenses resulted in an operating income of \$750,491. The Wastewater Utility Fund ended the year with net position, which represents total assets less total liabilities, of \$57,463,484. This is a \$456,806 increase in net position from 2017.



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Other Funds

Sanitation Fund

The Sanitation Fund received \$10,490,017 in revenue and had \$10,729,860 in expenses, resulting in a \$239,843 decrease in fund balance.



Transit

Transit received \$3,532,690 in revenues and had \$4,149,430 in expenses, resulting in a \$616,740 decrease in net position in 2018.



Stormwater Utility

In 2018, the Stormwater Utility received \$4,204,894 in revenue and had \$3,488,748 in expenses, resulting in a \$716,146 increase in net position.

Hedberg Public Library

The Library received \$3,984,215 in revenue and had \$3,864,438 in expenses, resulting in a \$119,777 increase in fund balance in 2018.



Oak Hill Cemetery

The Oak Hill Cemetery received \$190,825 in revenue and had \$219,568 in expenses, resulting in a \$28,743 decrease in fund balance in 2018.



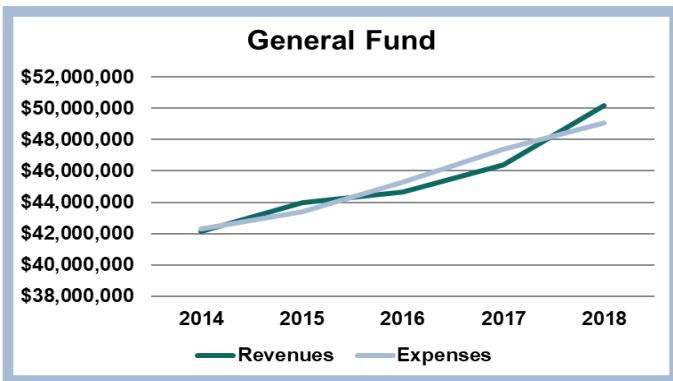
Golf Courses

In 2018, the golf courses received \$1,000,764 in revenue and had \$1,120,202 in expenses, resulting in a \$119,438 decrease in fund balance.

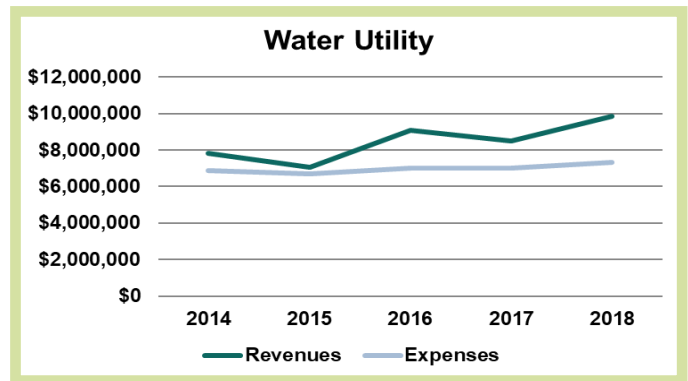


Five-Year Trend for Major Funds

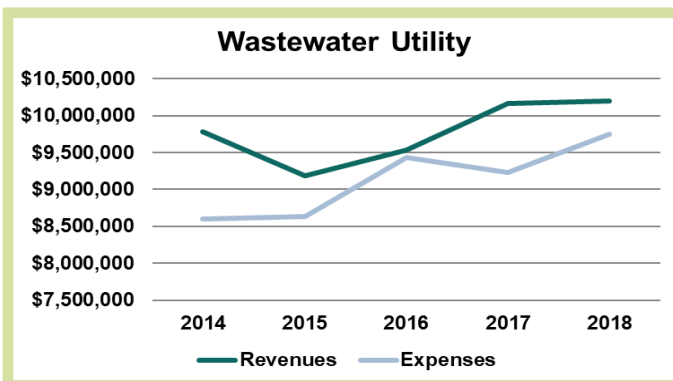
The charts below illustrate revenue and expense trends for the City's four major operating funds: General Fund, Water Utility Fund, Wastewater Utility Fund, and Sanitation Fund. The analyses provide comparative data for the past five years.



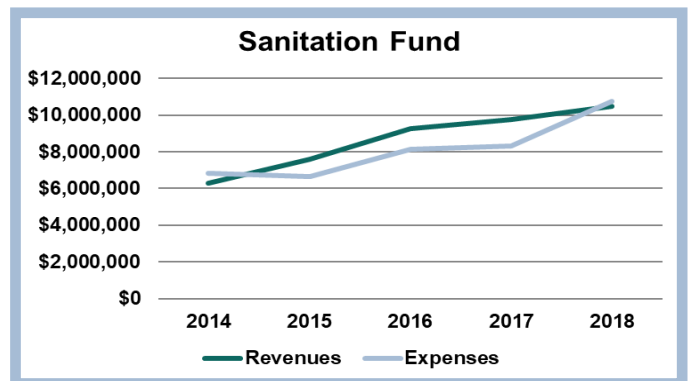
The General Fund experienced an end-of-year, positive net change in fund balance two of the last five years. The General Fund ended the year with a positive net change in fund balance of \$561,339 in 2015 and \$1,099,364 in 2018. The years 2014, 2016, and 2017 all experienced negative net changes to fund balance.



The Water Utility Fund experienced an end-of-year, positive net change in net position from 2014 to 2018. The Water Utility Fund ended the year with a positive net change in net position of \$952,656 in 2014, \$366,883 in 2015, \$2,040,181 in 2016, \$1,491,317 in 2017, and \$2,521,079 in 2018.



The Wastewater Utility Fund experienced an end-of-year, positive net change in net position from 2014 to 2018. The Wastewater Utility Fund ended the year with a positive net change in net position of \$1,184,268 in 2014, \$547,259 in 2015, \$98,453 in 2016, \$933,103 in 2017, and \$456,806 in 2018.



The Sanitation Fund experienced a positive net change in fund balance in 2015, 2016, and 2017. The Sanitation Fund ended the year with a positive net change in fund balance of \$969,457 in 2015, \$1,119,961 in 2016, and \$1,434,751 in 2017. The years 2014 and 2018 experienced negative net changes to fund balance.



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Financial Transparency

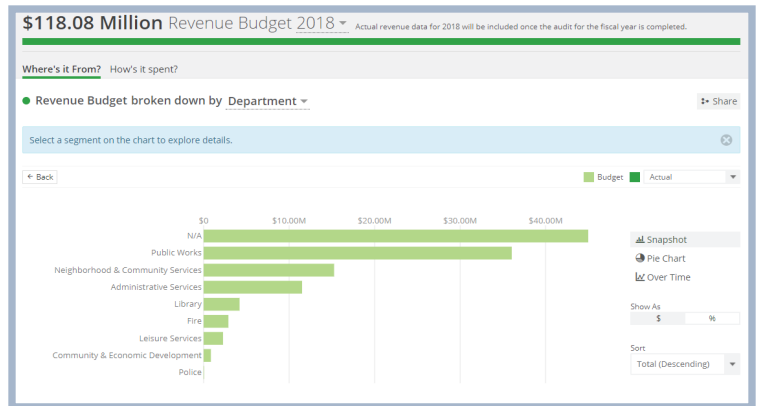
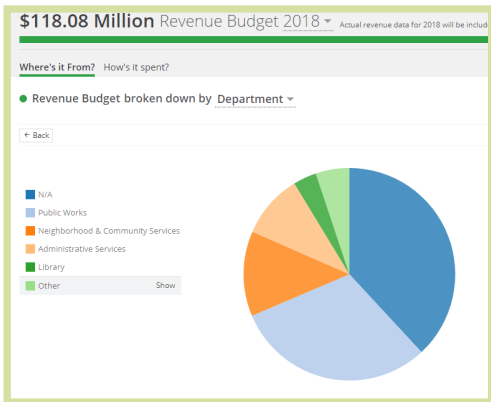
The City of Janesville provides two financial transparency websites, Open Budget and Open Expenditures. The websites represent an ongoing coordinated effort by the City of Janesville to cultivate an open and transparent local government for the community.

Open Budget offers a guided view through the financial complexities of the City of Janesville annual budget and includes data for 2008 through the current year. Open Expenditures contains all City expenditures including payments made to vendors and other obligated parties by the City of Janesville for 2008 and beyond. Users can search to find information about certain vendors or accounts, or drill down to see the budget and expenditures of specific programs such as snow removal or fire prevention.

The entire suite of open government websites, including a performance dashboard, Park Place Performs!, are available through the City's website at www.ci.janesville.wi.us/openjanesville. Users can explore the Open Budget and Open Expenditure website by visiting the following websites:

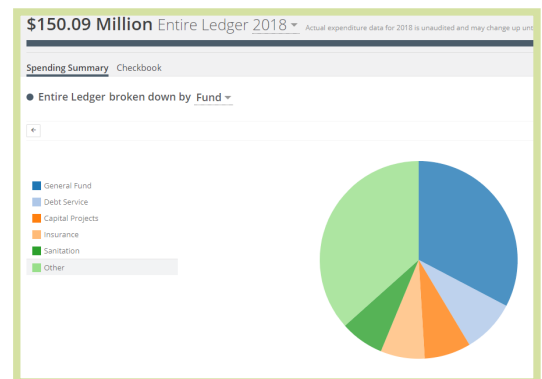
Open Budget

budget.ci.janesville.wi.us



Open Expenditures

expenditures.ci.janesville.wi.us



Stay Connected

The City of Janesville's website (www.ci.janesville.wi.us) provides visitors with a wealth of information about City services, current projects, upcoming events, and City news.

To receive weekly press releases and notifications about snow emergencies, Parks & Recreation newsletters and more via email, follow this link (www.ci.janesville.wi.us/emallists).



Click to visit our Facebook page



Click to visit our LinkedIn page



Click to visit our Twitter feed



Emergency Alerts and Updates

2018-2019 City Council

Standing left to right: City Manager Mark Freitag, Councilmembers Sue Conley, Doug Marklein, and Paul Benson

Sitting left to right: Councilmembers Jim Farrell, Tom Wolfe, Rich Gruber, and Paul Williams

Councilmembers are elected at large, representing residents in the whole city. To send a letter to one or all of the Councilmembers, you may send it to City Council, City Hall, P.O. Box 5005, Janesville, WI, 53547-5005 or via email at CityCouncil@ci.janesville.wi.us.

COUNCILMEMBER	VOICEMAIL	CELL PHONE	E-MAIL
Rich Gruber, Council President	373-6014	921-1483	gruberr@ci.janesville.wi.us
Tom Wolfe, Council Vice President	373-6015		wolfet@ci.janesville.wi.us
Paul Benson	373-6012	352-8010	bensonp@ci.janesville.wi.us
Sue Conley	373-6013		conleys@ci.janesville.wi.us
Jim Farrell	373-6017	289-9407	farrellj@ci.janesville.wi.us
Doug Marklein	373-6016	752-8734	markleind@ci.janesville.wi.us
Paul Williams	373-6011	751-6979	williamsp@ci.janesville.wi.us