

# 2021 EXECUTIVE OPERATING BUDGET

PRESENTATION TO THE FINANCE COMMITTEE

OCTOBER 12<sup>TH</sup>, 2020



# BALANCING 2021 GENERAL AND LIBRARY FUNDS

- At the onset of the planning process, the City was projecting a \$25.0 million gap between General/Library Fund expenditures and revenues for 2021
- Following agency requests the projected gap had declined to \$16.5 million, improvements in revenue projections and benefit rate increases lower than previously projected
- The Executive Budget addressed the projected shortfall through the actions outlined in the table.

Balancing the 2021 Budget \$ in Thousands	
<b>Initial Budget Gap</b>	<b>25,000</b>
Revenue Adjustments	(5,000)
Updated Benefit Rates	(2,100)
Other Adjustments	(1,375)
<b>Revised Budget Gap</b>	<b>16,525</b>
Use of Fund Balance	(8,000)
Expenditure Reductions	(3,500)
Fire & Police Contract Savings	(1,500)
Furlough Program	(1,200)
Reduced Capital Contribution	(700)
Increased Ambulance Conveyance & Town of Madison Revenue	(1,100)
Deferred Increased costs for Town of Madison	(1,000)
New Programs	475
<b>2021 Changes</b>	<b>(16,525)</b>
<b>2021 Executive Budget</b>	<b>BALANCED</b>

# BUDGET BALANCING ACTIONS

## CONTRACT NEGOTIATIONS & FURLONGHS

- Total Savings=\$2.7m
- Furloughs: Applies to all General Municipal Employees
  - Assumed Savings=\$1.2m
  - Number of days will range from 2-4 depending on wages
- Police & Fire Renegotiations
  - Assumed Savings=\$1.5m

## AGENCY REDUCTIONS

- Total savings=\$3.5m
- The Executive Budget includes 34 budget reductions
- Page 7 of the Executive Summary outlines all savings included in the Exec Budget
- These reductions are based on reductions submitted by agencies during their requests

## Fund Balance

- The Executive Budget proposes utilizing \$8.0 million from the unassigned fund balance for temporary revenue loss and one-time expenditures
- The fund balance goal is 15% of budgeted expenditures; as of the close of 2019 the fund balance was at 16.5% of the 2020 budget

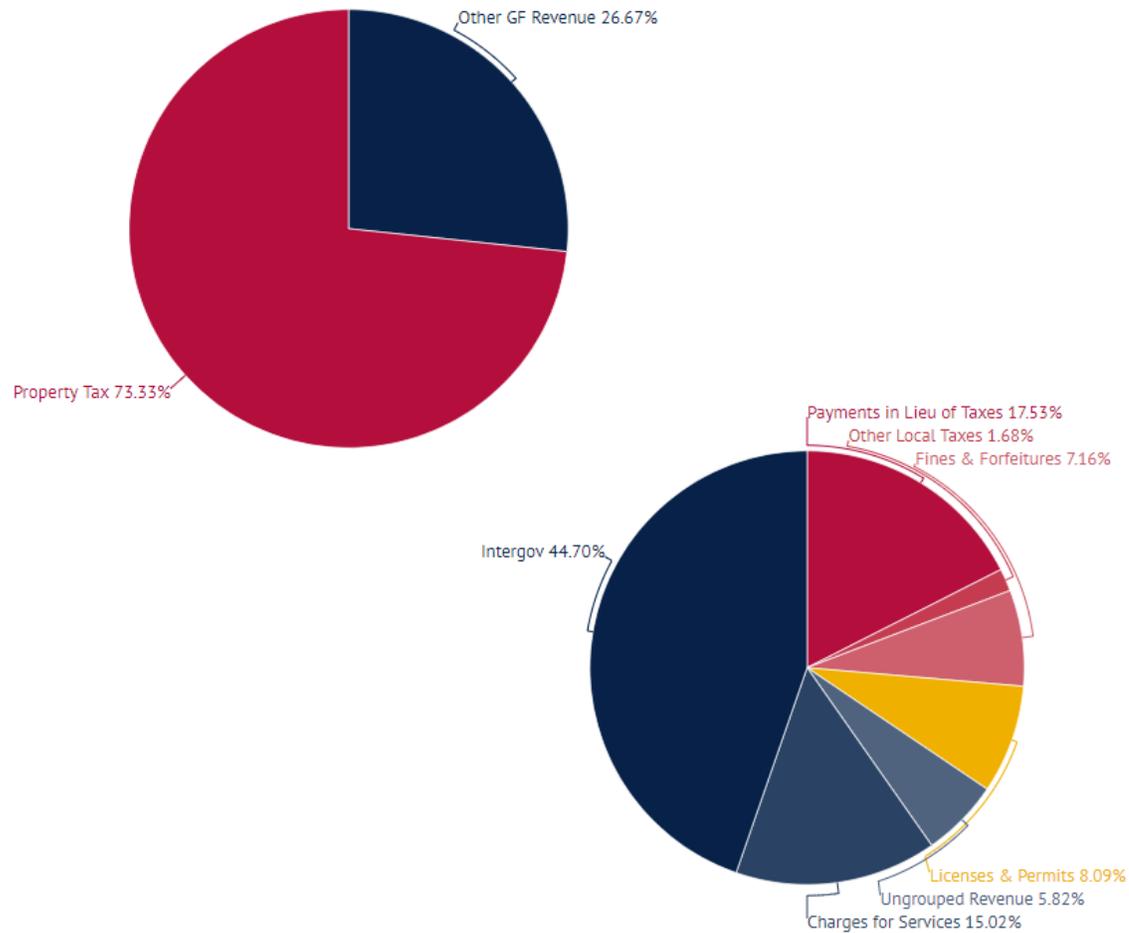
Proposed Uses	Amount
Temporary loss of General Fund Revenue	6,178,000
Replace Room Tax portion contributions for Olbrich Gardens & Henry Vilas Zoo	642,000
Increased City contribution to Henry Vilas Zoo (Formula Based)	400,000
Traffic Engineering Radio Subscription Costs	550,000
COVID Response Costs (Citywide PPE and Cleaning Supplies)	100,000
Town of Madison Costs: Voting Equipment & Communication Plan Implementation	130,000
<b>TOTAL</b>	<b>\$8,000,000</b>



# GENERAL FUND REVENUE



# 2020-BY THE NUMBERS: WHERE THE MONEY COMES FROM

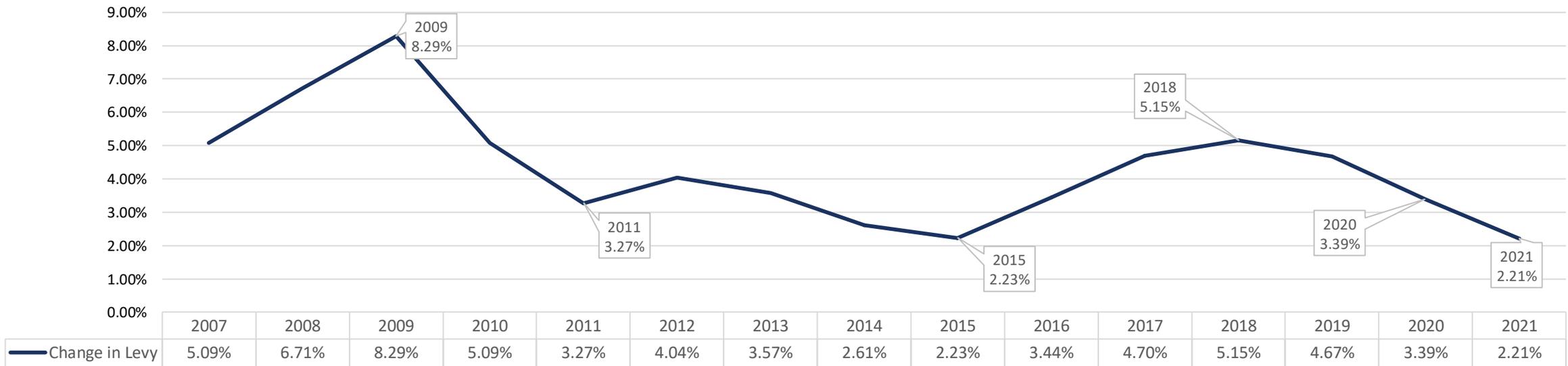


## Revenue Highlights

- PILOT payments down 14.5%
- Other Local Taxes down 7.6%
- Fine & Forfeitures are down 17.7%
- Licenses & Permit revenue is up 3.3%
- Charges for Service up 13.8%
- State Aid down 1.6%
- The Executive Budget provides \$1.3 million of flexibility under the Expenditure Restraint Program

# MADISON'S PROPERTY TAX

City of Madison Percent Levy Increases  
Above/Below the Historical 15-Year Average of 4.3%



- Property Tax=75% of revenue for General & Library Funds (up from 73% in the 2020 Adopted Budget)
- 2020 Increase is 2.2%; the lowest rate of growth since 2003
- Proposed levy increase is \$520k lower than the allowable levy limit

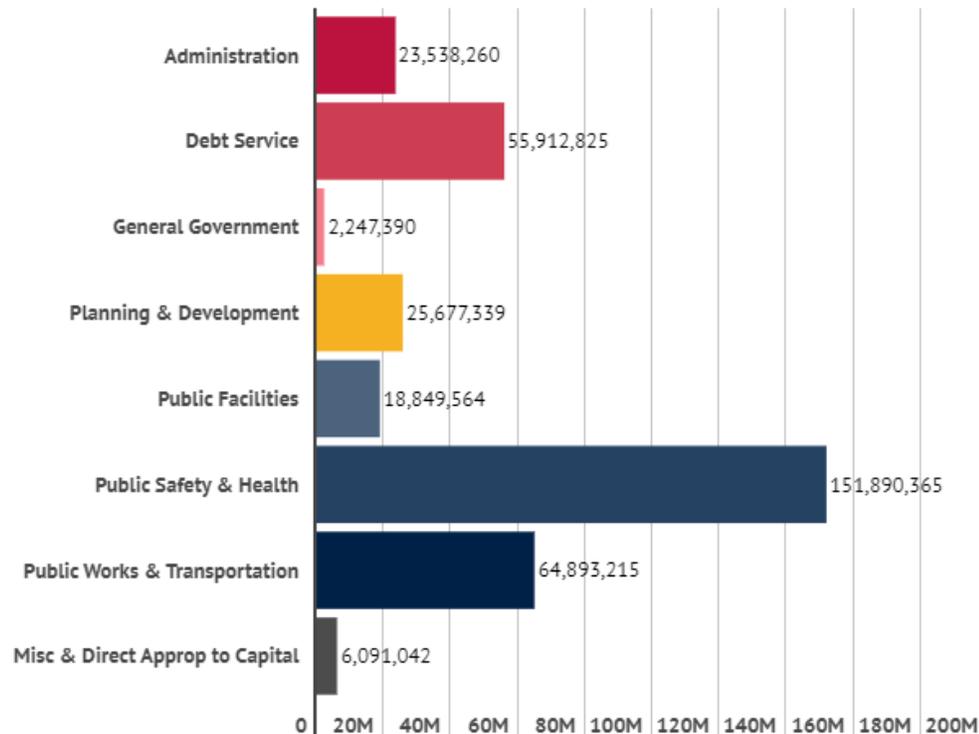
# TAXES ON THE AVERAGE VALUE HOME

- Under the Executive Budget, taxes on the average value home will go up 1.4% (\$37.46)
- Since 2015, the average value home has increased by 28%
- Higher assessments will drive down the mill rate by 3.2%
- Maximum levy increase will add \$42.99 to taxes on average value home (\$5.53 more than the executive budget).

Comparative Changes in Levy and Taxes on Average Value Home (TOAH)			
% Change (TOAH)	Levy Increase	\$ Change	TOAH
Max Levy-1.6%	\$6,039,349	\$42.99	\$2,728.73
Exec Bdgt-1.4%	5,518,628	37.46	2,723.20
1.25%	4,949,848	31.38	2,717.12
1.00%	4,525,363	26.86	2,712.60
-0.41%	1,000,000	(10.71)	2,675.03
-0.80%	-	(21.37)	2,664.37

# 2020-BY THE NUMBERS: HOW THE MONEY IS SPENT

General Fund Expenditures:  
By Function



## Expenditure Highlights

- General and Library fund expenditures are up \$8.4 million, or 2.5% (consistent with growth from 2019 to 2020)
- Expenditure growth is driven by:
  - Personnel Costs: \$5.3m increase for contract increases & changes to employee benefit rates
  - Fleet Rate: \$1.9m increase to begin funding debt service for Nakoosa Trail facility
  - IT Software Costs: \$1.6m for annual subscriptions for various software programs; includes \$550k for radios utilized by public safety & public works agencies
- These increases are offset by service level budget reductions, furloughs, and assumed savings from contract renegotiations



MAYOR'S OFFICE  
COMMON COUNCIL  
OFFICE OF INDEPENDENT MONITOR



## MAYOR'S OFFICE

	2020 Adopted	2021 Request	2021 Exec	\$ Change
General-Net	\$1,513,669	\$1,901,297	\$1,123,505	-\$390,164
Other-Expense	-	-	-	-
<b>TOTAL</b>	<b>\$1,513,669</b>	<b>\$1,901,297</b>	<b>\$1,123,505</b>	<b>-\$390,164</b>

- Reflects the following transfers:
  - Food Policy and Programming: Moved to the Economic Development Division
  - Neighborhood Resource Team: Moved to the Department of Civil Rights
  - Sustainability: Moved into the Mayor's Office from Engineering
- Includes reductions to the travel and training budget
- Maintains funding for current staffing levels

# COMMON COUNCIL

	2020 Adopted	2021 Request	2021 Exec	\$ Change
General-Net	\$867,090	\$887,230	\$892,337	\$25,247
Other-Expense	-	-	-	-
<b>TOTAL</b>	<b>\$867,090</b>	<b>\$887,230</b>	<b>\$892,337</b>	<b>\$25,247</b>

- The Executive Budget maintains the current level of service, including full funding for all Alders and the 4 permanent positions housed in the Common Council
- Continues funding for alder benefits including health insurance
- Maintains funding for aldermanic spending at current levels

# OFFICE ON THE INDEPENDENT MONITOR

	2020 Adopted	2021 Request	2021 Exec	\$ Change
General-Net	-	-	\$450,769	\$450,769
Other-Expense	-	-	-	-
<b>TOTAL</b>	-	-	<b>\$450,769</b>	<b>\$450,769</b>

- Budget based on recommendations adopted by the Common Council earlier this year
- Fully funds three newly created positions
- Includes funding for the Civilian Oversight Board & legal costs to assist individuals filing claims