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# PUBLIC SAFETY REVIEW COMMITTEE

AUGUST 8<sup>TH</sup>-2018



## Planning Prep

Timeframe: Jan-March

Update long-range projections for operating costs & capital items

Present outlook to Mayor to establish desired prop tax levy & debt service

## Agency Requests

Timeframe: April-June

Mayor sets targets based on desired levy & debt levels

Capital: Agencies prepare requests outlining project budgets, timelines, & goals

Operating: Agencies prepare requests for each service within their budget

## Executive Budget

Timeframe: July-August

Agencies meet with Mayor to discuss their proposals & priorities for upcoming year

Agency requests weighed against priorities for upcoming year

Prepare operating & capital budget consistent with priorities

## Budget Adoption

Timeframe: Sept-Nov

Executive Budget introduced at CC & referred to Finance Committee

Finance Committee holds agency hearings & considers amendments to the Exec Budget

CC offers & votes on amendments; following these votes the budget is Adopted

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2018: 2<sup>ND</sup> QUARTER PROJECTION UPDATE



# 2018: GENERAL FUND EXPENDITURE OUTLOOK

General Fund Summary (Includes Library)

## Budget

	2015 Actual	2016 Actual	2017 Actual	2018 Revised	2018 2nd Q	2018 Projected	2018 Diff
Revenue	(12,236,108)	(15,000,514)	(17,634,080)	(17,836,221)	(4,446,627)	(17,047,407)	(788,814)
Expense	296,510,259	306,671,924	316,974,254	332,645,509	166,630,926	333,716,725	(1,071,215)
	284,274,151	291,671,409	299,340,174	314,809,288	162,184,299	316,669,317	(1,860,029)

% Growth (2015 to 2018 Projected)

10%

2nd Q: % Spent

51.5%

2nd Q: Projection

(1,860,029)

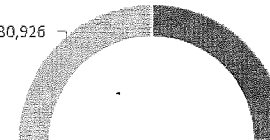
Agency Revenues Received: 2nd Q

(4,446,627)



Expenditures: 2nd Q

166,630,926



## 2<sup>ND</sup> QUARTER SUMMARY

- Agency Revenues
  - Total Budget=\$17.8m
  - Projected=\$17.0m
    - Deficits driven by CDD, Muni Court, and Parks
- Staffing Costs
  - Total Budget=\$199.7m
  - Projected=\$200.2m
    - Deficits driven by benefit costs
    - Current Citywide Vacancy Rate=4%
- Non-Personnel
  - Total Budget=\$132.8m
  - Projected=\$133.5m
    - Projection assumes 3 additional snow events in the 4<sup>th</sup> Quarter
    - Increased fleet rate to fully fund depreciation & fuel costs

## 2<sup>ND</sup> QUARTER SUMMARY: POLICE & FIRE

### Fire

Projection=\$1.3m Deficit

- Revenue
  - Projection=\$180k deficit driven by permit & inspection revenues
- Personnel Costs
  - Projection=\$1.2m deficit driven by budgeted salary savings
    - \$500k due to sick leave escrow that is budgeted centrally
- Non-Personnel
  - Projection=Projected at budget based on current trends & planned expenditures

### Police

Projection=\$2.2m Deficit

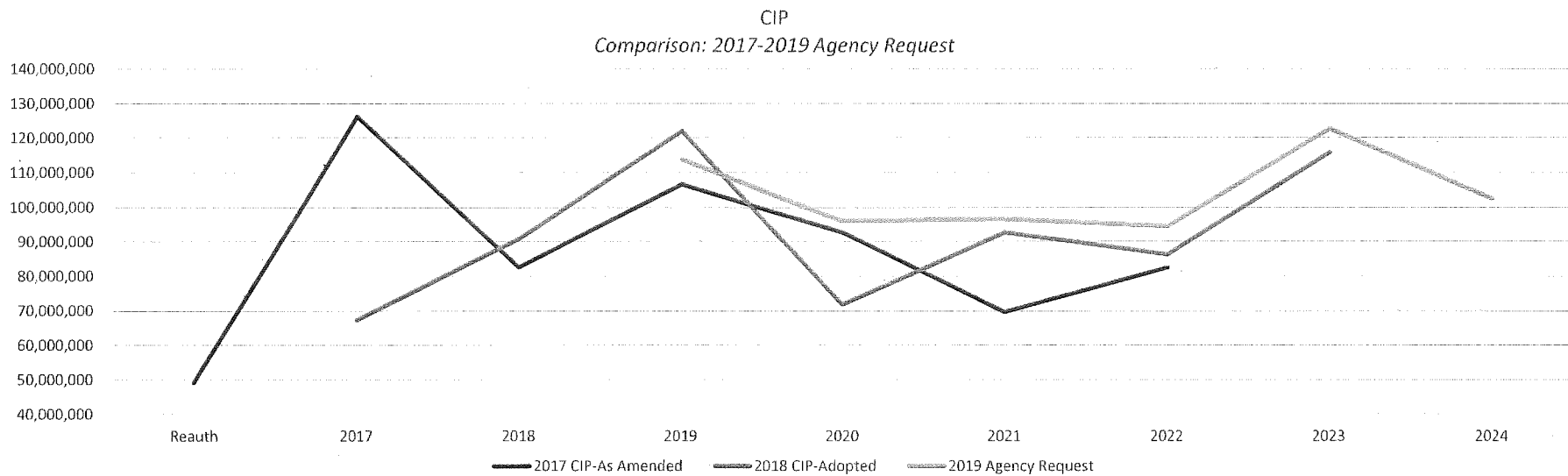
- Revenue
  - Projection=\$120k surplus driven by Police services & special duty reimbursements
- Personnel Costs
  - Projection=\$2.3m deficit driven by overtime & benefit costs
    - \$950k due to sick leave escrow that is budgeted centrally
- Non-Personnel
  - Projection=Projected at budget based on current trends & planned expenditures

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2019 CAPITAL BUDGET

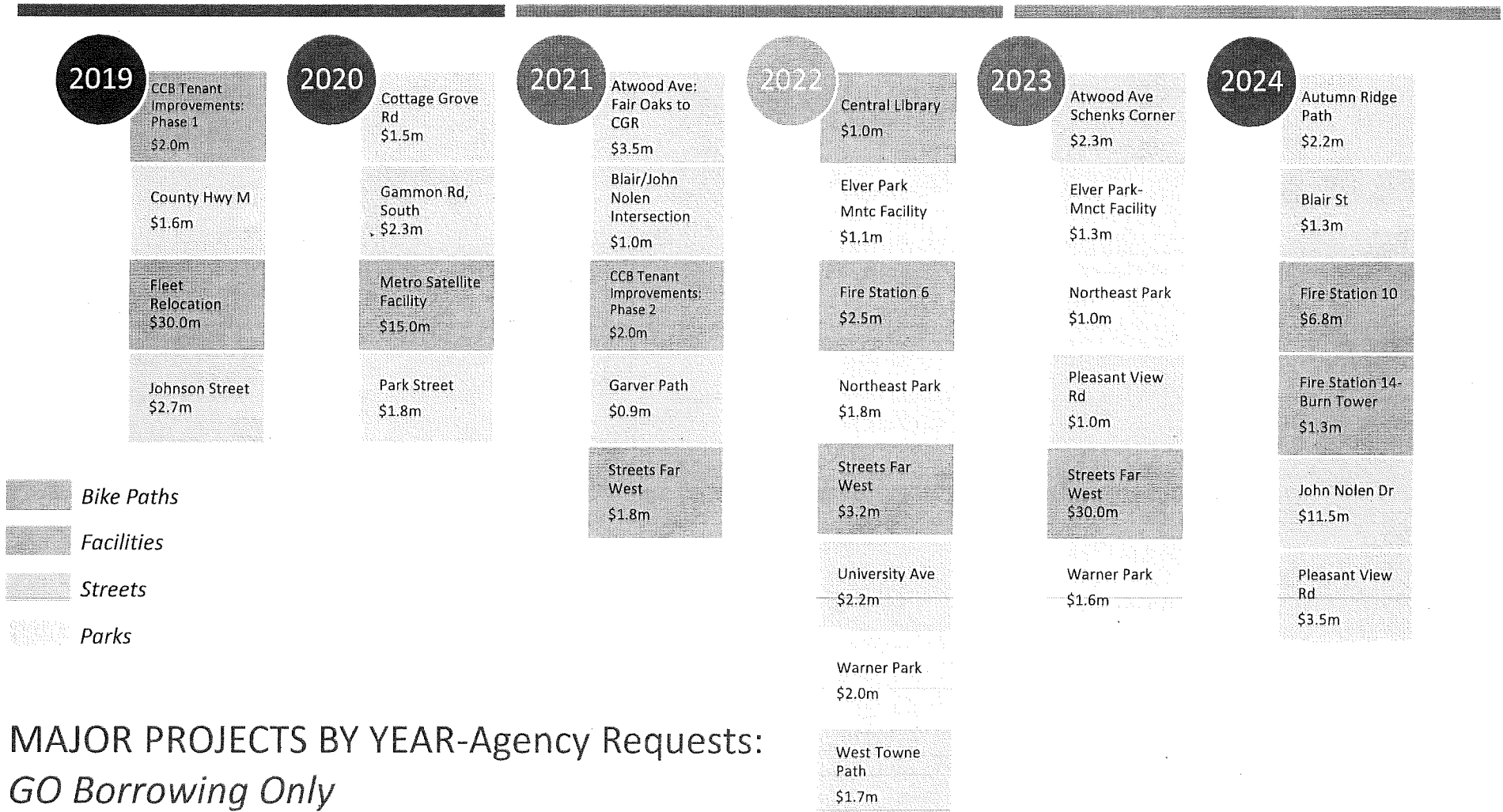


# 2019 AGENCY REQUEST: BY THE NUMBERS (GO BORROWING ONLY)



Phase	2019	2020	2021	2022	2023	2024
2017-Amended	106,717,727	92,753,231	69,668,205	82,573,130		
2018 Adopted	122,098,862	71,725,177	92,742,384	86,282,919	115,866,717	
2019 Agency Request	113,876,604	95,910,085	96,526,138	94,466,243	122,686,033	102,516,949
<b>Change-2018 to 2019</b>	<b>(8,222,258)</b>	<b>24,184,908</b>	<b>3,783,754</b>	<b>8,183,324</b>	<b>6,819,316</b>	





MAJOR PROJECTS BY YEAR-Agency Requests:  
*GO Borrowing Only*

## 2019 CIP: AGENCY REQUESTS- CHANGES FROM 2018

Fire Department

- Fire Station 10
  - \$6.8m for construction added to 2024
- Fire Station 14
  - \$1.3m added for Burn Tower in 2024

Police Department

- Technology & Equipment Program
  - \$400-300k added annually to support technology upgrades for the Department

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2019 OPERATING BUDGET



## UNDERSTANDING THE 2019 BUDGET OUTLOOK

- General Fund expenditures are growing at a faster pace than allowable revenue growth
  - Projected Revenue Growth=\$13.3m
  - Projected Expenditure Growth=\$18.0m
- The projected deficit for 2019 is \$4.7m

2019 OUTLOOK	
Revenue	Expenditures
<b>+13.3m</b>	<b>+18.0m</b>
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<b>-\$4.7m</b>	

## UNDERSTANDING THE 2019 BUDGET OUTLOOK: REVENUE vs EXPENDITURES

### Revenue

**+4.1%**  
INCREASE

- Growth in General Fund revenue is driven by a one-time increase in state aid (\$1.1m) and the projected levy increase(\$10.6m).
- Local revenues are projected to decline by 0.8% (\$0.4m) from 2018 to 2019.

### Expenditures

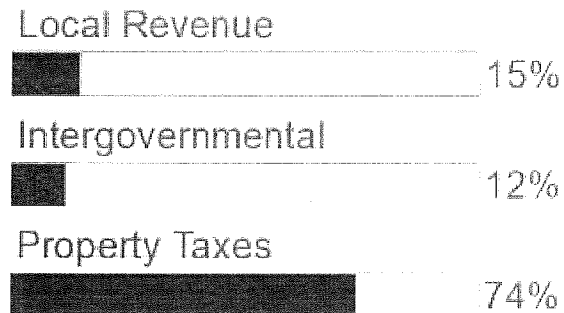
**+5.8%**  
INCREASE

- General Fund expenditures are projected to increase by 5.8%. Debt service & personnel costs are the primary drivers of the increase.

# UNDERSTANDING THE 2019 BUDGET OUTLOOK: GENERAL FUND REVENUES

## Where the Money Comes From

### GENERAL FUND REVENUE BY TYPE

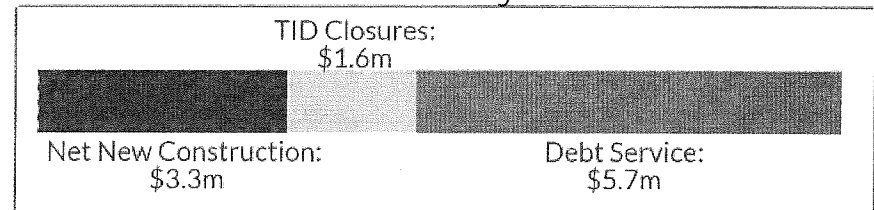


## Property Tax Levy

Projected Allowable Levy Growth=\$10.6m

- State-imposed Levy Limits cap the growth rate in the property tax levy. The closures of three TIF Districts adds \$1.6m to the allowable increase in 2019.
- The property tax levy is projected to increase by 4.6% (\$10.6m) from 2018 to 2019; at this rate taxes on the average value home will increase 1.1%.

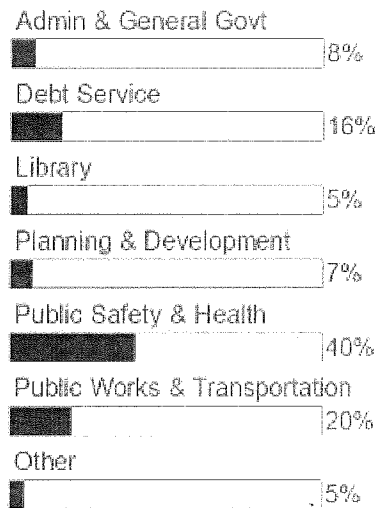
### Elements of Levy Growth



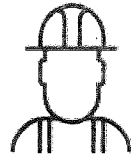
# UNDERSTANDING THE 2019 BUDGET OUTLOOK: EXPENDITURES

## How the Money Is Spent

### GENERAL FUND BY FUNCTION

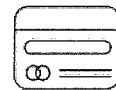


## How the Budget is Growing



### Personnel Costs: \$7.3m Increase

- Step & longevity increases for existing employees;
- Anticipated contract increases;
- Police overtime & academy costs;
- Sick leave escrow payments; and
- Projected increase in health insurance rates.



### Debt Service: \$6.7m Increase

- Assumes GO Borrowing in 2018 will be consistent with prior year trends (2/3 of authorized borrowing).
- At projected level, debt service will be 16.0% of the 2019 budget.



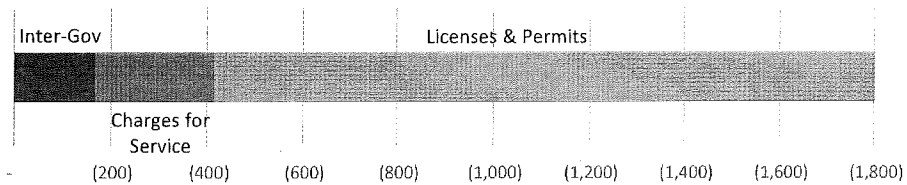
### Fuel & Equipment: \$2.0m Increase

- Projected increase in fuel & diesel costs for City & Metro fleet based on current futures estimates.
- Increase depreciation costs based on current assets and those planned to be purchased.

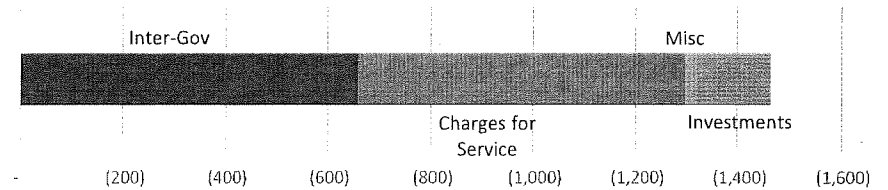
# UNDERSTANDING THE 2019 BUDGET: FIRE & POLICE

- Collectively Fire & Police represent 40% of the General & Library Funds
  - 2019 Cost to Continue Budget:
    - Fire: \$52,170,049
    - Police: \$75,730,000

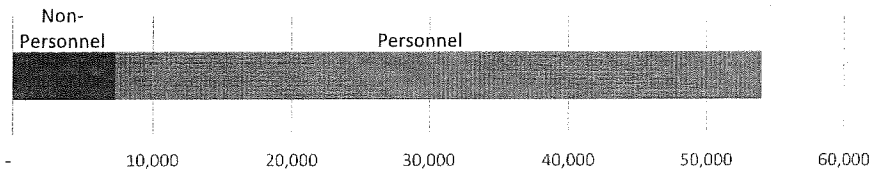
Fire Revenues by Type  
\$ in Thousands



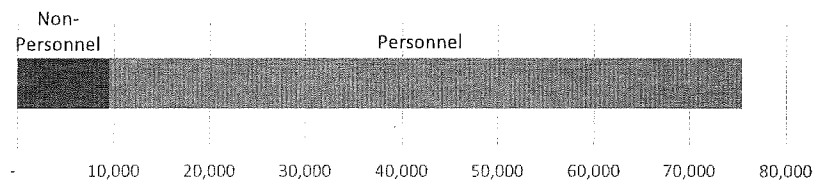
Police Revenues by Type  
\$ in Thousands



Fire Expenses by Type  
\$ in Thousands



Police Expenses by Type  
\$ in Thousands





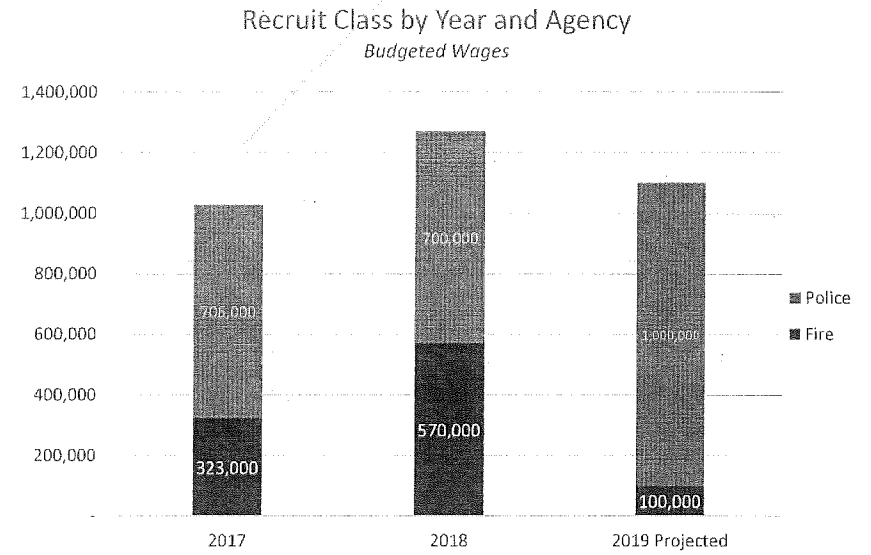
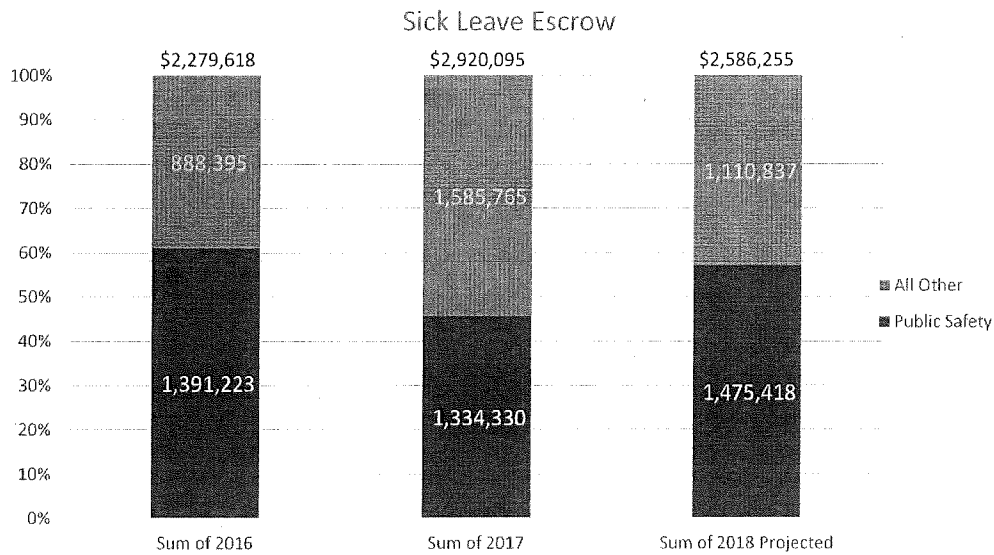
# 2019 PUBLIC SAFETY BUDGET: TURNOVER TRENDS



# 2019 PUBLIC SAFETY BUDGET: TURNOVER & THE BUDGET

- Turnover in staff results in payouts for retirees and larger recruit class sizes in subsequent years

2017: Police Academy includes \$209k for Midtown recruits  
2018: Fire Academy includes recruits for Fire Station 14



## 2019 PUBLIC SAFETY BUDGET: STAFFING GRANTS

### COPS

- 2014 COPS Grant
  - Total Grant Award=\$375,000
  - Year Awarded: 2014
  - Positions Created: 3 CORE Officers
  - Grant Expiration: 2018
- 2015 COPS Grant
  - Total Grant Award=\$500k
  - Year Awarded: 2015
  - Positions Created: 4 CORE Officers
  - Grant Expiration: 2019

### SAFER

- 2016 SAFER Grant
  - Total Grant Award=\$2.4m
  - Year Awarded: 2017
  - Positions Created: 18 positions for Fire Station 14
  - Grant will fully expire in 2021

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# 2019 REQUEST OVERVIEW



# FIRE CAPITAL BUDGET: AGENCY REQUEST

## Project Summary

	Agency Priority	2019	2020	2021	2022	2023	2024
Building Access System	4	50,000	-	-	60,000	-	-
Communications Equipment	2	150,000	500,000	150,000	300,000	1,025,000	165,000
Fire Building Improvements	3	70,000	70,000	70,000	70,000	90,000	70,000
Fire Equipment	1	500,000	500,000	1,050,000	1,275,000	600,000	660,000
Fire Station 10	7	-	-	-	-	500,000	6,800,000
Fire Station 14	5	-	-	-	-	60,000	1,250,000
Fire Station 6	6	-	-	500,000	2,500,000	-	-
<b>Total</b>		\$ 770,000	\$ 1,070,000	\$ 1,770,000	\$ 4,205,000	\$ 2,275,000	\$ 8,945,000

## ■ Project Adjustments

- Fire Station 10: Construction funding added in 2024 (\$6.8m)
- Fire Station 14: Funding added to construction of a burn tower in 2024 (\$1.25m)

## FIRE OPERATING BUDGET: GENERAL FUND

	2017 Actuals	2018 Budget	2019 Request
Salaries	\$33,954,808	\$33,812,766	\$34,597,038
Benefits	\$13,121,955	\$12,333,666	\$12,060,983
Supplies	\$1,023,122	\$1,231,404	\$1,230,864
Services	\$1,069,429	\$1,448,526	\$1,463,733
Inter Dept Charges	\$3,961,408	\$3,829,535	\$4,266,348
Transfers	\$13,290	\$382,125	\$421,241
<b>Subtotal Expenses</b>	<b>\$53,144,053</b>	<b>\$53,038,022</b>	<b>\$54,040,208</b>
Revenue	(\$1,571,013)	(\$1,870,159)	(\$1,870,159)
<b>Net General Fund</b>	<b>\$51,573,040</b>	<b>\$51,167,863</b>	<b>\$52,170,049</b>

## FIRE SUPPLEMENTAL REQUESTS

The following requests were submitted in priority order:

1. Hire 9 additional Firefighter/Paramedics to staff a 9<sup>th</sup> Ambulance out of Station 14 in Southeast Madison
2. Add an Accountant 1
3. Add a Data Analyst/IT Specialist
4. Add a Fire Protection Specialist/Plan Reviewer
5. Add an Asset Manager
6. Contract with a consultant to perform a Policy & Procedure Review

# POLICE CAPITAL BUDGET: AGENCY REQUEST

## Project Summary

	Agency Priority	2019	2020	2021	2022	2023	2024
Light Bar Replacement Project	1	45,000	47,225	-	-	-	-
North Police Station	4	-	100,000	-	-	-	-
Police Building Improvements	3	379,850	239,665	411,300	416,600	420,535	411,100
Police Technology and Equipment	2	156,250	391,250	264,125	271,125	272,875	270,875
Property & Evidence Complex	5	-	100,000	-	-	-	-
<b>Total</b>		\$ 581,100	\$ 878,140	\$ 675,425	\$ 687,725	\$ 693,410	\$ 681,975

- Projects Removed
  - Digital Forensic lab; Funding moved to Police Technology & Equipment program
- Program Adjustments
  - Police Building Improvements: Funding reduced in 2019 and 2020
  - Police Technology & Equipment: Funding added in 2019 to 2024



## POLICE OPERATING BUDGET GENERAL FUND

	2017 Actuals	2018 Budget	2019 Request
Salaries	\$46,901,624	\$48,782,716	\$50,395,521
Benefits	\$17,844,091	\$16,586,057	\$17,362,985
Supplies	\$1,318,120	\$1,483,656	\$1,346,446
Services	\$2,097,888	\$2,350,170	\$2,371,898
Inter Dept Charges	\$4,811,960	\$5,022,350	\$5,579,084
Transfers	\$274,265	\$636,806	\$214,722
<b>Subtotal Expenses</b>	<b>\$73,247,948</b>	<b>\$74,861,755</b>	<b>\$77,270,656</b>
Revenue	(\$1,555,409)	(\$1,463,196)	(\$1,540,656)
<b>Net General Fund</b>	<b>\$71,692,539</b>	<b>\$73,398,559</b>	<b>\$75,730,000</b>

## POLICE SUPPLEMENTAL REQUESTS

The following requests were submitted in priority order:

1. Upgrade a police officer position to a detective sergeant and add a new detective position.
2. Civilianize the personnel lieutenant position and reassign this lieutenant position to the Investigative Services section.
3. Increase staffing for patrol services by adding six officers.
4. Add a data analyst/technology specialist
5. Fund year two of a multi-year commitment to acquire and deploy smartphones to all field personnel.