
2017 3RD QUARTER PROJECTION

FINANCE COMMITTEE

NOVEMBER 27TH 2017



HIGHLIGHTS

Year End Projection=\$900k Surplus

- Expenditure deficit driven by staffing costs & revenues budgeted within agencies
- Revenue surplus driven by strength in building permits
- Projected surplus would add two-tenths percent to the unassigned fund balance

Expenditures

- **Projection=\$315k Deficit (Library & GF)**
 - \$3.7m surplus in non-personnel budget offset by deficits in personnel spending (\$2.9m) and revenue budgeted within agencies (\$1.1m)

Revenue

- **Projection=\$1.2m Surplus**
 - Building Permits up \$750k
 - State Payments for Municipal Services up \$600k
 - Ambulance up \$300k
 - Room Tax down \$135k
 - Other sources down \$300k

EXPENDITURE RESTRAINT PROGRAM

Municipalities qualify for expenditure restraint payments by keeping growth in General and Library Fund budget, net of debt service, to a rate that is less than 60% of net new construction plus inflation. Madison receives \$7 million in state aid under the program.

- 2017 Allowable Increase: 2.2%
- 2017 Budget Increase: 1.33%
- 2017 Budget with \$2 million Amendment: 2.13%
- 2018 Allowable Increase: 3.9%
- 2018 Budget Increase without 2017 Amendment: 4.44%
- 2018 Budget Increase with 2017 Amendment: 3.62%

EXPENDITURE OVERVIEW

Non-Personnel Spending

Projection=\$3.9m Surplus

- Snow Budget=\$300k Surplus
 - Assumes 3 additional events in 2017
- CDD Contracts=\$760k Surplus
 - Savings resulting from lags in contracting process
- Police & Fire Supplies=\$531k Surplus
 - Utility savings
 - Work supplies
 - Equipment purchases funded by donations not anticipated in 2017
- Contingent Reserve=\$1.1m
 - This surplus will be transferred as part of the year-end appropriation
- Misc Savings=\$1.4m Surplus
 - Surplus Drivers: inventory and work supplies, and utility/energy savings

Personnel Spending

Projection=\$1.5m Deficit

- Permanent Wages=\$1.8m Surplus
- Leave Payouts=\$1.7m Deficit
- Charging Time=\$600k Deficit
- Overtime=\$1.3m Deficit

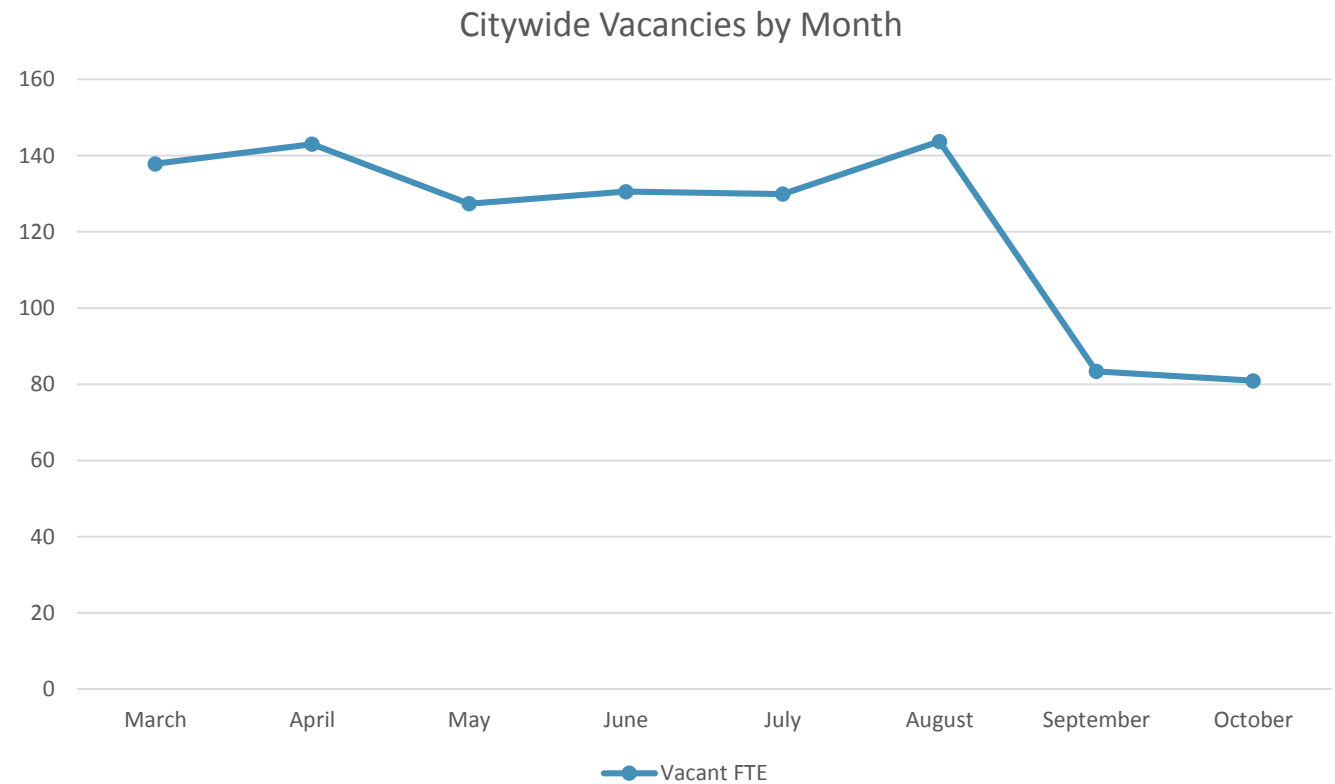
Agency Revenue

Projection=\$1.1m Deficit

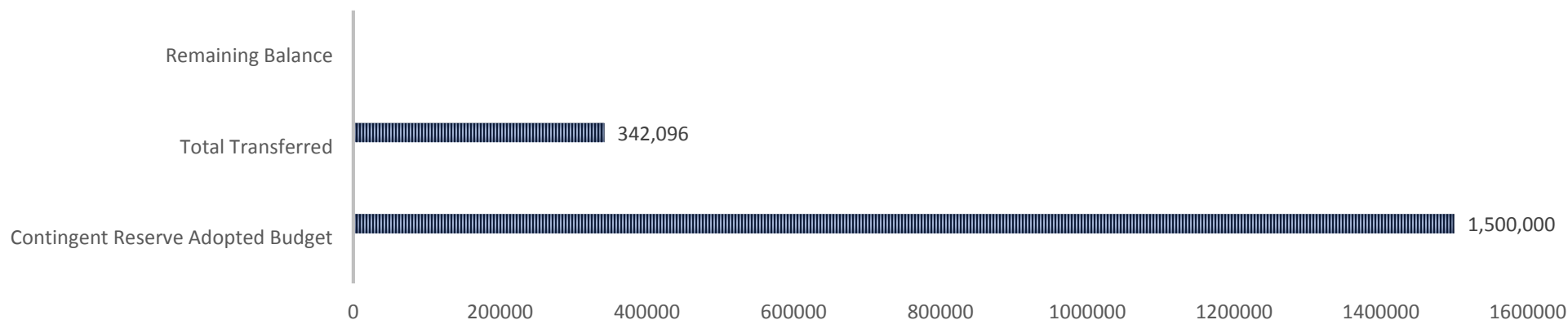
- Deficit driven by transfers from other funding sources into the General Fund

VACANCY TRENDS

- The Citywide vacancy rates were between 4.5-5.0% from March through September when it fell to 2.8%; the decrease is due to the Police & Fire academies
- Agencies with highest vacancy rates at the close of the 3rd Quarter:
 1. Fleet: 11%
 2. Water: 10%
 3. Parking: 9%
 4. Building Inspection: 9%
 5. IT: 8.5%



2017 CONTINGENT RESERVE APPROPRIATIONS
TOTAL TRANSFERRED VS. BUDGET



Contingent Reserve Adopted Budget							1,500,000
Total Transferred							342,096
Remaining Balance							1,157,904
Legistar File ID	BOE Date	Agency	Item	MUNIS Amend #	Action	Requested Amount	Adopted Amount
45989	2/13/2017	Planning	MPO Survey-Local Match	2457	Adopted	20,619	20,619
45609		Dir Appropriations	Benefits Consultant	n/a	Place on File	50,000	
46209	3/13/2017	Police	Naloxone Dispensers	1104	Adopted	20,000	20,000
46571	3/27/2017	Police	Koval Legal Fees	255	Adopted	21,953	21,953
47385	6/12/2017	Dir Appropriations	Eskrich Legal Fees	933	Adopted	8,524	8,524
47815	7/24/2017	Mayor's Office	Tom Mosgaller Contract	2509	Adopted	21,000	21,000
48235	8/7/2017	Treasurer's Office	Midyear BUA-Bank & CC Charges	286	Adopted	200,000	200,000
48799	9/25/2017	Attorney's Office	Legal Services for Golf Pros			50,000	50,000
TOTAL						392,096	342,096

2017 CONTINGENT RESERVE

YEAR END RESOLUTION

New Appropriations=\$2.0 Million

Fire	<ul style="list-style-type: none">• Amount=\$1,000,000• Overtime Costs
Streets	<ul style="list-style-type: none">• Amount=\$760,000• 4th Quarter Snow Events
Municipal Court	<ul style="list-style-type: none">• Amount=\$80,000• Revenue Shortfall (Court Fees)
Parks	<ul style="list-style-type: none">• Amount=\$40,000• Private donation for Goodman Pool Improvements
Library	<ul style="list-style-type: none">• Amount=\$200,000• Staffing Costs; funded by Library Fund Balance

YEAR END RESOLUTION

Inter-Agency Transfers=\$1.72 Million across Agency budgets

Increase		Decrease	
<u>Agency/Reason</u>	<u>Amount</u>	<u>Agency/Reason</u>	<u>Amount</u>
HR: Benefit Savings	200	Direct Appropriations	(1,675)
Engineering: Charging time to Capital	300	IT: Salary Savings	(50)
Mayor: Staff Costs (Benefits)	70	EDD: Salary Savings	(35)
Police: Staff Costs (Benefits)	1,100	Traffic Eng: Work Supplies	(75)
		PCED-Director: Salary Savings	(35)
	1,720		(1,720)

YEAR END RESOLUTION

Intra-Agency Transfers=\$195,000 across majors within Agency Budgets

- Assessor:
 - \$15k from Benefits to Supplies for mileage costs
- Civil Rights
 - \$40k from Salaries to Purchased Services for Language Access
- Common Council
 - \$25k from salaries to supplies for one-time costs associated with Chief of Staff
- Finance
 - \$25k from Purchased Services to Supplies for implementation costs associated with Strategic Management
- Parks
 - \$75k from Purchased Services to Supplies
- Planning
 - \$15,000 from Purchased Services to Supplies for hardware & software purchases



ENTERPRISE FUNDS



MAJOR HIGHLIGHTS: ENTERPRISE FUNDS

Fleet

- Started 2017 with \$600k deficit (net position within fund)
- Billings to agencies will fully recoup 2017 costs and eliminate existing deficit

Metro

- Projected end 2017 with \$235k surplus
- Will not use any of the budgeted fund balance (\$930k)
- Surplus driven by personnel savings
- Revenue from unlimited ride pass & adult passes down (\$760k); offset by surpluses in advertising & youth passes (\$380k)

Public Health

- Projecting \$1.6m surplus in personnel spending
- Will not use any of the budgeted fund balance (\$846k)
 - Fund balance projected to grow by \$620k at close of 2017

Monona Terrace

- Revenues projected to outpace expenditures in 2017; primarily driven by rental revenue
- Will not use any of the budgeted fund balance (\$620k)