



Finance Department

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To: Madison Common Council

From: David P. Schmiedicke
Finance Director

RE: Resolution Authorizing Increased Budget Transfer Amounts – Legistar 60126

Current law (the 2020 budget resolution -- RES-19-00755) authorizes the Finance Director to transfer \$5,000 between major expenditure lines within departments and the Mayor to transfer \$5,000 between departments. Transfers in excess of that amount require approval of the Council through a resolution. In the context of a \$1 billion all-funds annual operating and capital budget, a \$5,000 maximum administrative transfer is relatively modest and limits rapid response to changes in expenditure levels during this national public health emergency.

The resolution increases the transfer amount in the budget resolution to \$50,000 for the operating budget and to \$250,000 for the capital budget, during the remainder of the 2020 budget year (through December 31, 2020). The higher threshold for capital projects reflects the often significant amounts within individual capital projects and programs (e.g., major street reconstruction).

The \$5,000 budget transfer threshold was first established in 1988. The average funding authorization in the 2020 capital budget for a capital project is \$750,000. In 2019, there were 63 amendments to the budget – 75% of those amendments were adopted by the Finance Committee on its consent agenda.

CC: Mary Bottari
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