



2025 Capital Budget: Executive Budget Overview

Finance Committee
September 16, 2024

Agenda

1. Navigating Budget Resources

- Capital Budget Web Page
- How to read agency budgets

2. Agency Briefings & Amendments

- Schedule, Format, and Amendment Process

3. Executive Budget Summary

- Budget by Element and Funding Source

4. GO Debt Service

- Relationship between Capital and Operating Budgets

5. Operating Budget Update

- Agency Requests & New Service Structure

Navigating Budget Resources

Where to find the Capital Budget

The executive capital budget and executive summary were published [online](https://www.cityofmadison.com/finance/budget/2025/capital) on 9/10/24:
<https://www.cityofmadison.com/finance/budget/2025/capital>

2025 Capital Budget

Executive Budget

- [Full Executive Capital Budget PDF](#)
- [Executive Summary PDF](#)

Executive Summary: Overview and summary of major changes

Introduction & Summaries

- [City of Madison Mission and Values PDF](#)
- [Capital Budget Overview and Policies PDF](#)
- [Capital Budget Summaries PDF](#)
- [Horizon List PDF](#)

Introduction & Summaries:

- Guidelines, policies, summary tables by agency, funding & expense types
- Horizon List

Administration and General Government

- [Finance Department PDF](#)
- [Information Technology PDF](#)
- [Mayor's Office PDF](#)

Planning and Development

- [CDA Redevelopment PDF](#)
- [Community Development Division PDF](#)
- [Economic Development Division PDF](#)
- [Planning Division PDF](#)

Agency Budgets:

- Organized by functional areas

Components of an Agency Budget: CIP Overview

CIP Overview (1-2 pages)

- **Summary Table:** List of all capital projects and programs, with total funding by year
- **Changes from 2024 Adopted CIP (Graph):** Clustered bar graph that compares the total funding for the agency, by year, in the 2025 Executive CIP and the 2024 Adopted CIP
- **Description of Major Changes:** Comments on significant changes between the 2025 Executive CIP and the 2024 Adopted CIP. There is a comment on every project/program, even if there is no change. Comments may include changes in funding amount, funding source, project scope, timeline, or other aspects of the project.

Engineering - Bicycle and Pedestrian

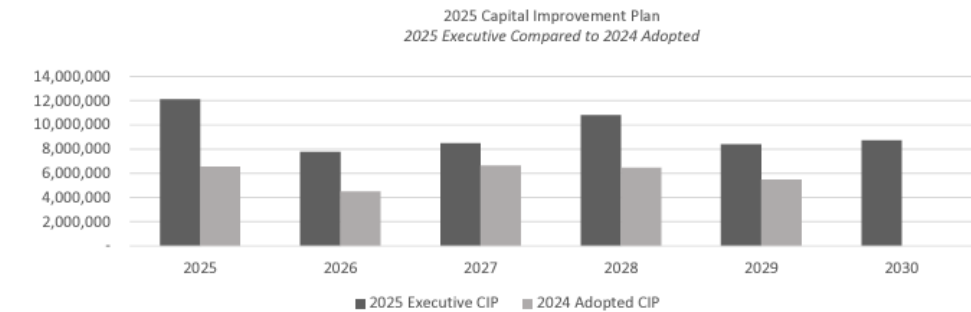
Capital Improvement Plan (CIP) Overview

Budget Phase: Executive

Summary Table

	2025	2026	2027	2028	2029	2030
Badger Rusk Path	1,120,000	-	-	-	-	-
Bikeways Program	600,000	2,490,000	2,939,099	3,538,789	2,368,000	2,436,000
Sidewalk Program	5,025,000	5,275,000	5,525,000	5,775,000	6,025,000	6,275,000
Troy Drive Railroad Bridge	4,250,000	-	-	-	-	-
West Towne Path Phase 2	1,122,000	-	-	1,496,000	-	-
	\$ 12,117,000	\$ 7,765,000	\$ 8,464,099	\$ 10,809,789	\$ 8,393,000	\$ 8,711,000

Changes from 2024 Adopted CIP



Description of Major Changes

Badger Rusk Path

- \$453,000 in funding changed from Non-General Fund GO Borrowing (TID) to TIF Increment in 2025.

Bikeways Program

- Program budget increased by \$2.7 million in General Fund GO Borrowing, \$5.5 million in Federal Sources, and \$395,000 in Non-General Fund GO Borrowing (TIF) from 2026 to 2029. This reflects a 260% increase.
- The inclusion of federal funding reflects secured funding for seven minor projects within the Bikeways Program.
- Program budget increased to include the Capital City Path Segment 5 & 6 included in the 2024 Adopted Capital Budget as a standalone project. The 2024 CIP included \$1,890,000.

Components of an Agency Budget: Expenditures & Revenues

Summary of Expenditures and Revenues (1-2 pages)

- **2025 CIP by Expenditure Type:** Table with budget amounts by expenditure type (e.g. Bike Path, Building, Land, Street), by year
- **2025 CIP by Funding Source:** Table with budget amounts by funding source (e.g. General Fund (GF) General Obligation (GO) Borrowing; Federal Sources; Impact Fees; Reserves Applied; TIF Increment), by year
- **Borrowing Summary:** Table with General Fund GO Borrowing and Non-General Fund GO Borrowing by year
- **Annual Debt Service:** Estimated debt service, assuming a 10-year repayment schedule and 3% interest
- **Executive Budget by Funding Source (Graph):** Stacked bar graph showing GO Borrowing and Other Sources by year

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Summary of Expenditures and Revenues

2025 CIP by Expenditure Type

	2025	2026	2027	2028	2029	2030
Bike Path	2,842,000	2,490,000	2,939,099	5,034,789	2,368,000	2,436,000
Bridge	4,000,000	-	-	-	-	-
Stormwater Network	250,000	-	-	-	-	-
Street	5,025,000	5,275,000	5,525,000	5,775,000	6,025,000	6,275,000
	\$ 12,117,000	\$ 7,765,000	\$ 8,464,099	\$ 10,809,789	\$ 8,393,000	\$ 8,711,000

2025 CIP by Funding Source

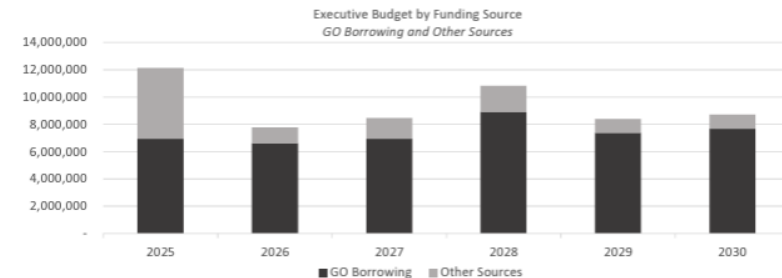
	2025	2026	2027	2028	2029	2030
GF GO Borrowing	6,600,000	6,606,000	6,540,000	8,920,000	7,368,000	7,686,000
Non-GF GO Borrowing	332,000	-	395,000	-	-	-
Federal Sources	4,657,000	1,134,000	1,504,099	1,864,789	1,000,000	1,000,000
Reserves Applied	50,000	-	-	-	-	-
Special Assessment	25,000	25,000	25,000	25,000	25,000	25,000
TIF Increment	453,000	-	-	-	-	-
	\$ 12,117,000	\$ 7,765,000	\$ 8,464,099	\$ 10,809,789	\$ 8,393,000	\$ 8,711,000

Borrowing Summary

	2025	2026	2027	2028	2029	2030
General Fund GO Borrowing	6,600,000	6,606,000	6,540,000	8,920,000	7,368,000	7,686,000
Non-General Fund GO Borrowing	332,000	-	395,000	-	-	-
	\$ 6,932,000	\$ 6,606,000	\$ 6,935,000	\$ 8,920,000	\$ 7,368,000	\$ 7,686,000

Annual Debt Service

	2025	2026	2027	2028	2029	2030
General Fund GO Borrowing	858,000	858,780	850,200	1,159,600	957,840	999,180
Non-General Fund GO Borrowing	43,160	-	51,350	-	-	-
	\$ 901,160	\$ 858,780	\$ 901,550	\$ 1,159,600	\$ 957,840	\$ 999,180



Components of an Agency Budget: Carryforward GO Borrowing

Carryforward GO Borrowing Section (1 page)

- **Carryforward GO Borrowing:** Table that summarizes funding authorized in prior capital budgets that will carryforward in 2025. Data reflects unspent funds as of July 31, 2024.
 - “Unused Appropriation Authority” column reflects all unused funds that will carryforward (borrowing, federal sources, grants).
 - “Reauthorized GO Borrowing” column reflects GO Borrowing that will be reauthorized in 2025

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Carryforward General Obligation Borrowing

	Unused Appropriation Authority	Reauthorized GO Borrowing
11859 AUTUMN RIDGE PATH	587,598	1,879,451
14143 BADGER RUSK PATH	107,197	10,000
10138 BIKEWAYS PROGRAM	3,147,718	1,194,593
10142 CANNONBALL BIKE TRAIL	1,518,815	189,025
10143 CAPITAL CITY TRAIL	1,004,553	304,824
13835 CTH M	19,290	-
10160 GARVER PATH	17,617	-
13664 HERMINA-STARKWEATHER CRK PED BRIDGE	483,995	500,000
13015 MAIN STREET IMPROVEMENTS	1,844	-
11112 SAFE ROUTES GRANTS PROGRAM	-	214,532
10148 SIDEWALK PROGRAM	6,706,115	2,041,157
11868 TROY DR UNDERPASS	4,617,367	1,540,679
10165 WEST TOWNE PATH	578,874	457,722
	\$ 18,790,982	\$ 8,331,984

Components of an Agency Budget: Project & Program Details

Project & Program Details (1- 10 pages)

- **Identifying Information:** Project Name, Number, Type (Project or Program); and Citywide Element
- **Project Description:** Brief narrative on the purpose and scope of the project
- **Funding Table:** Table that summarizes funding by source, by year

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Project & Program Details

Project	Badger Rusk Path	Project #	14143
Citywide Element	Land Use and Transportation	Project Type	Project

Project Description

This project funds the construction of a new multi-use path along Badger Road and North Rusk Avenue from the existing beltline overpass to Nygard Street. This project has been identified in the Southside Neighborhood Plan. The project has been awarded federal funding through the Transportation Alternatives Program. Funding in 2025 is for construction.

	2025	2026	2027	2028	2029	2030
TIF Increment	453,000	-	-	-	-	-
Federal Sources	667,000	-	-	-	-	-
Total	\$ 1,120,000	\$ -	\$ -	\$ -	\$ -	\$ -

Project	Bikeways Program	Project #	10138
Citywide Element	Land Use and Transportation	Project Type	Program

Project Description

This program is for bicycle-related improvements and path resurfacing throughout the City. The goal of this program is to improve the pavement quality of the existing bike paths to meet City Standards and provide new paths to close gaps in the network. Projects within this program are prioritized based on pavement quality rating of existing bikeways and projects awarded federal funds through the Transportation Alternatives Program. The focus of funding in 2025 will be for path resurfacing and new paths on Odana Rd and North Shore Dr. Capital City Path Phase 5 & 6 is planned for 2026. E Rusk Ave & Moorland are planned for 2027. Woodward Drive & W Beltline Path are planned for 2028.

	2025	2026	2027	2028	2029	2030
GF GO Borrowing	600,000	1,356,000	1,040,000	1,674,000	1,368,000	1,436,000
Non-GF GO Borrowing	-	-	395,000	-	-	-
Federal Sources	-	1,134,000	1,504,099	1,864,789	1,000,000	1,000,000
Total	\$ 600,000	\$ 2,490,000	\$ 2,939,099	\$ 3,538,789	\$ 2,368,000	\$ 2,436,000

Components of an Agency Budget: 2025 Appropriation

2025 Appropriation (1 page)

- Table summarizing 2025 appropriations only
- Includes agency's original funding request and the amount included in the executive budget
- Budget for 'out-years' is not included in the table

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2025 Appropriation Schedule

2025 Appropriation

	Request	Executive Budget		Total
		GO Borrowing	Other	
Badger Rusk Path	1,120,000	-	1,120,000	1,120,000
Bikeways Program	600,000	600,000	-	600,000
Sidewalk Program	5,025,000	5,000,000	25,000	5,025,000
Troy Drive Railroad Bridge	4,250,000	1,200,000	3,050,000	4,250,000
West Towne Path Phase 2	1,122,000	132,000	990,000	1,122,000
	\$ 12,117,000	\$ 6,932,000	\$ 5,185,000	\$ 12,117,000

Agency Briefings & Amendment Process

Schedule for Briefings

Monday (9/11)

- Public Health & Safety
 - Fire
 - Police
 - Public Health
- Public Spaces
 - Library
- PCED
 - Planning
 - CDA Redevelopment
 - Community Development
 - Economic Development
- Administration
 - Information Technology
 - Mayor's Office
 - Finance
 - Zoo

Tuesday (9/12)

- Transportation
 - Metro
 - Parking
 - Traffic Engineering
 - Transportation
- Public Spaces
 - Monona Terrace
- Engineering
 - Bike & Ped
 - Facilities
 - Major Streets
 - Other
 - Sewer
 - Stormwater
- Public Works
 - Fleet
 - Parks
 - Streets
 - Water

Briefing Format

- Agencies will give a brief presentation (~5 minutes) highlighting significant projects and major changes in their CIP
- Presentation will focus on overview page of budget; no separate slides
- Discussion and Q&A to follow each presentation

Detailed Timeline for FC and CC Hearings

Capital

Operating

1.	Mayor Introduces Executive Budget	<ul style="list-style-type: none"> September 10 	<ul style="list-style-type: none"> October 8
2.	Finance Committee (FC) Hearings	<i>Agencies present budget; alders have opportunity to ask questions</i>	
		<ul style="list-style-type: none"> September 16 & 17 	<ul style="list-style-type: none"> October 14 & 15
3.	FC Amendment Week	<i>Alders submit requests to budget analysts; analysts review and publish amendments</i>	
		<ul style="list-style-type: none"> September 18 – 25 Alders submit by Weds., Sept. 25 at 12pm Analysts publish by Fri., Sept 27 at 12pm 	<ul style="list-style-type: none"> October 16 – 23 Alders submit by Weds., Oct. 23 at 12pm Analysts publish by Fri., Oct 25 at 12pm
4.	FC Vote on Amendments	<i>Hybrid FC Meetings – MMB 215</i>	
		<ul style="list-style-type: none"> September 30 	<ul style="list-style-type: none"> October 28
5.	City Council Amendments	<i>City Council has the opportunity to propose amendments to capital and operating budgets</i>	
		<ul style="list-style-type: none"> October 29 – November 6 Alders submit by Weds., Nov. 6 at 12pm Analysts publish by Fri., Nov 8 at 12pm 	
6.	City Council Adoption	Up to three (3) CC meetings to vote on amendments and adopt budget	
		<ul style="list-style-type: none"> November 12, 13, 14 	

Amendment Process Tips & Timeline

Review the Executive Budget:

- Review the budget and executive summary to understand what's included in the executive budget

Engage Agency Staff:

- Reach out to the impacted agency to discuss your amendment ideas; staff may have input on timeline, feasibility, and capacity needed to implement ideas
- Copy budget staff on communications with agencies so we are aware of potential amendments

Timeline:

- Alders can begin submitting amendment ideas any time after the budget is introduced
- **Submit preliminary amendments by Wednesday 9/25 at 12pm**
 - Amendment ideas do not have to be fully developed this deadline, but we do have to know you are planning to submit
- **Final amendments will be published on Friday 9/27 around 12pm**

Sponsorship:

- Any alder can submit an FC amendment
- Non-FC members must have an FC sponsor; Council president can be asked to courtesy sponsor
- If you have co-sponsors, be sure to include all sponsors in emails to budget staff so we can verify who is signed on to an amendment

Capital Amendment Template

Minimum information needed to start and amendment:

- Agency
- Existing or New Project
- Brief description of what you're trying to accomplish
- Estimated amount (agency staff and budget analyst will assist with fiscal analysis estimates)

Sample template from 2024 – will be updated for 2025

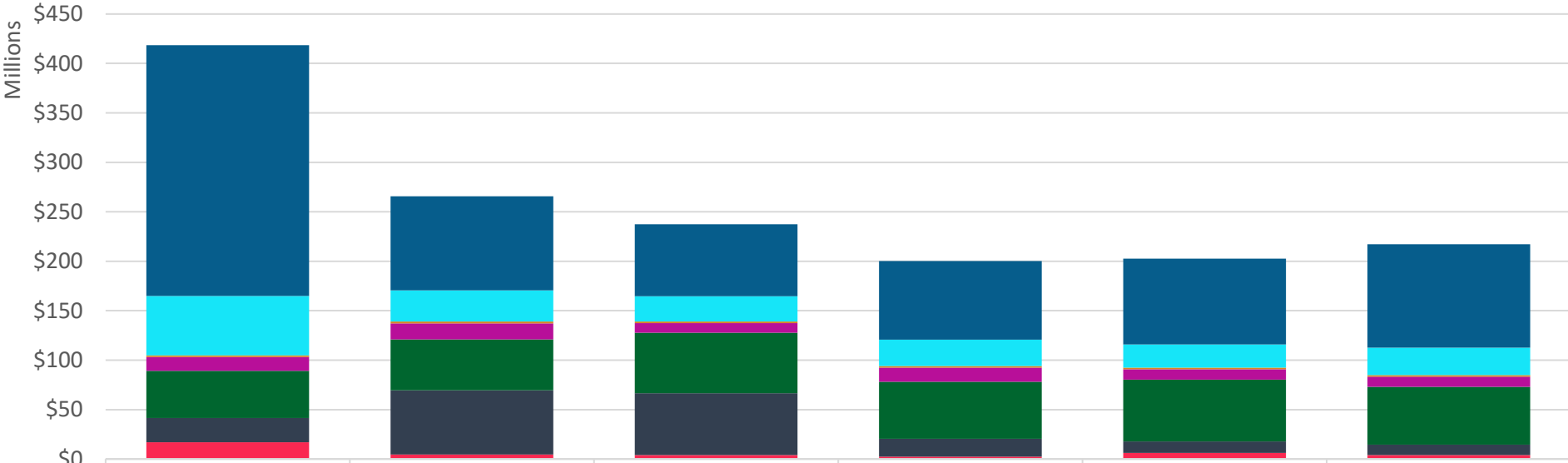
2024 Capital Budget: Finance Committee Amendments						
Agency:				Amendment #:		
Project Name:				Page #:		
Sponsor:				Project #:		
Co-Sponsor(s):						
Amendment Narrative						
<i>Brief description of what the amendment will do (e.g. add/remove funding, shift funding across years, create new project).</i>						
Amendment Amount						
<i>Amounts below reflect the change from the executive budget, not the total project amount.</i>						
	2024	2025	2026	2027	2028	2029
GO Borrowing						
Other						
Total						

Executive Budget Summary

2025 Capital Budget = \$418.3 million

2025 - 2030 Capital Improvement Plan = \$1.5 billion

Capital Investments by Element, by Year



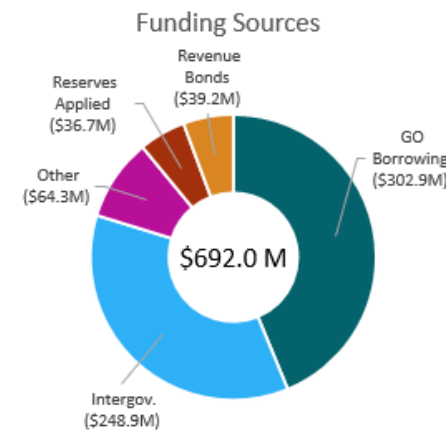
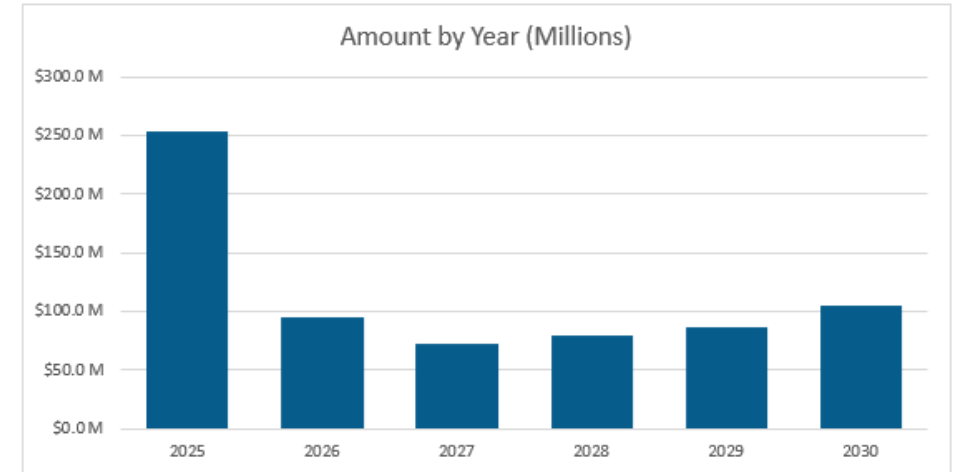
	2025	2026	2027	2028	2029	2030
Land Use and Transportation	\$253,472,720	\$94,986,600	\$72,686,749	\$79,539,439	\$86,707,308	\$104,572,823
Neighborhoods and Housing	\$60,131,000	\$31,554,000	\$25,577,000	\$26,601,000	\$23,433,000	\$27,658,650
Economy and Opportunity	\$1,590,000	\$1,790,000	\$1,690,000	\$1,690,000	\$1,690,000	\$1,772,000
Culture and Character	\$13,853,100	\$16,126,500	\$9,699,500	\$14,063,750	\$10,555,250	\$10,080,360
Green and Resilient	\$47,773,000	\$51,478,000	\$61,145,000	\$57,735,000	\$62,580,450	\$58,659,080
Effective Government	\$24,445,339	\$64,893,519	\$62,548,345	\$17,955,396	\$11,519,881	\$10,542,809
Health and Safety	\$17,081,250	\$4,721,250	\$4,033,750	\$2,581,250	\$6,240,188	\$3,973,197

Citywide Elements

- Agencies select Citywide element as part of their submission process
- Projects may address multiple priorities/ elements, but are only presented in one category
- Executive summary has 1-pagers for each element, showing funding by year, by source, and highlights major projects
- Elements are presented in the same order as the Imagine Madison comprehensive plan

Projects by Element: Land Use & Transportation

Land Use & Transportation projects represent almost half (44.9%) of spending in the CIP. Major projects include the implementation of North-South Bus Rapid Transit and reconstruction of major streets such as John Nolen Drive. This category also includes ongoing programs to reconstruct and maintain the City's streets, sidewalks, and bike lanes. The largest share of funding for the \$692.0 million budgeted over 6 years is from GO borrowing (43.8%). The next largest share of funding is from intergovernmental sources (36.0%), representing large federal grants for transit and infrastructure.

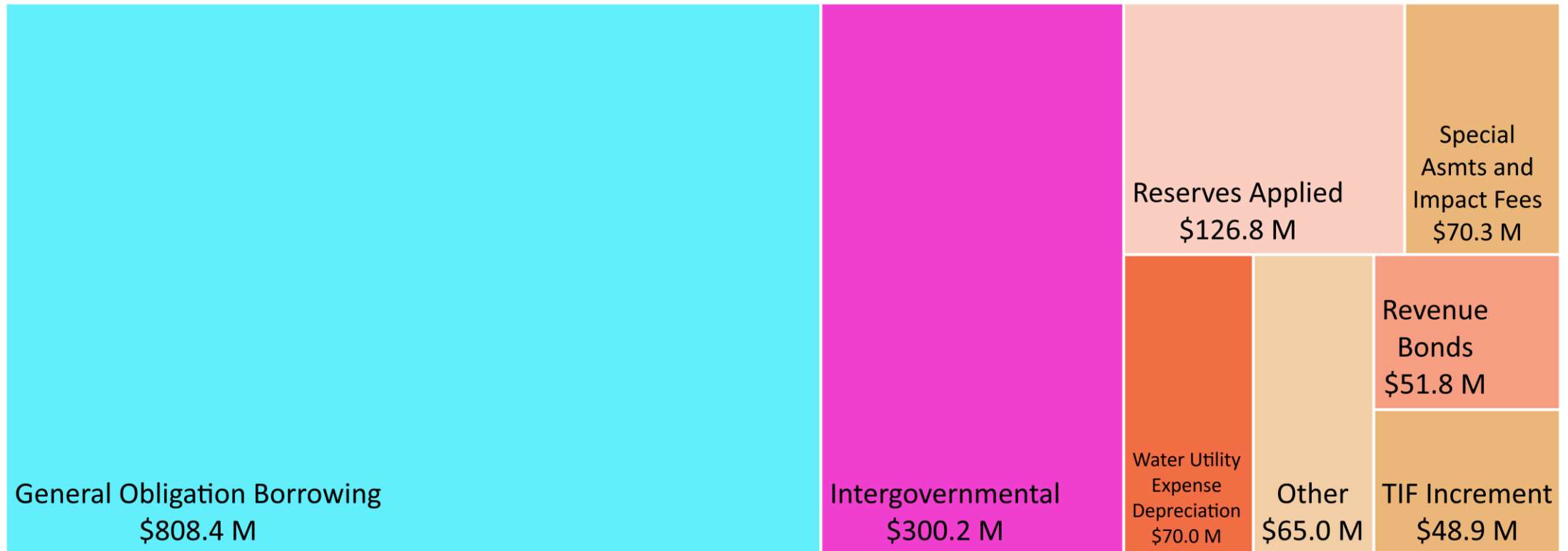


Project & Program Highlights (All Funds)

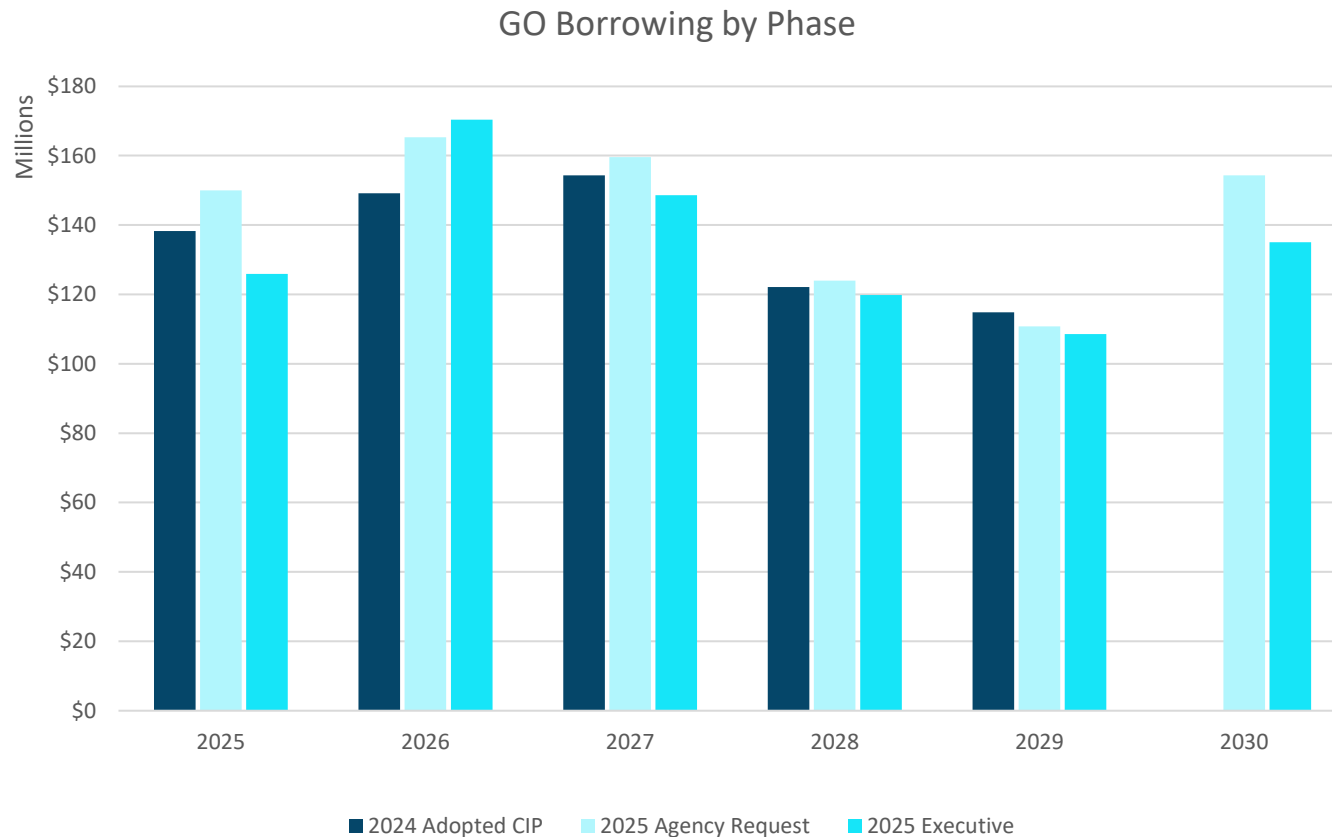
- **2025:** North-South Bus Rapid Transit (N-S BRT) (\$174.9m)
- **2025 – 2030 (ongoing programs):** Pavement Management (\$121.8 m); Reconstruction Streets (\$115.9 m); Metro Electric Buses and Charging Equipment (\$88.0 m); Sidewalk Program (\$33.9 m); Bikeways Program (\$14.4 m); Safe Streets Madison (\$9.8 m)
- **2025-2030 (major projects):** John Nolen Drive (\$23.8m); High Point/ Raymond/ MidTown (\$20.6m); Regent St (\$19.3 m)

GO Borrowing is the primary funding source of the CIP (52%), followed by Intergovernmental sources (20%)

Funding Sources for the 6- Year CIP (2025-2030)



Executive Budget reduces GO Borrowing compared to 2024 budget and agency request



2025 Budget:

- 2025 Executive is \$12.4 million less than 2024 Adopted CIP; \$24 million less than request
- Some expenses shifted to later years of the CIP, some changed funding sources from borrowing to federal grants or TIF increment when possible

2025-2029 CIP:

- Over the course of the CIP, 2025 Executive is \$5.3 million less than 2024 Adopted CIP; \$36.2 million less than request

GO Debt and Debt Service

Background

- The City issues debt each year to help finance the cost of projects authorized in the adopted capital budget.
- Most of that debt is in the form of a “general obligation” – this means the City pledges to repay the debt from its general taxing authority (the property tax levy). The remainder of the City’s debt is issued as a “revenue obligation” – this means a specific revenue source, in the City’s case it is usually sewer or water user fees, is pledged to repay the debt.
- Repayment of the principal and interest on general obligation debt is usually made over a 10 year period.
- Annual repayment of the principal and interest is called “debt service” and is included in the operating budget.
- Debt service on a new issuance begins in the year following the debt sale (e.g., repayment of principal and interest on debt sold to finance projects in the 2024 capital budget will begin in the 2025 budget).

Debt Service in the Operating Budget

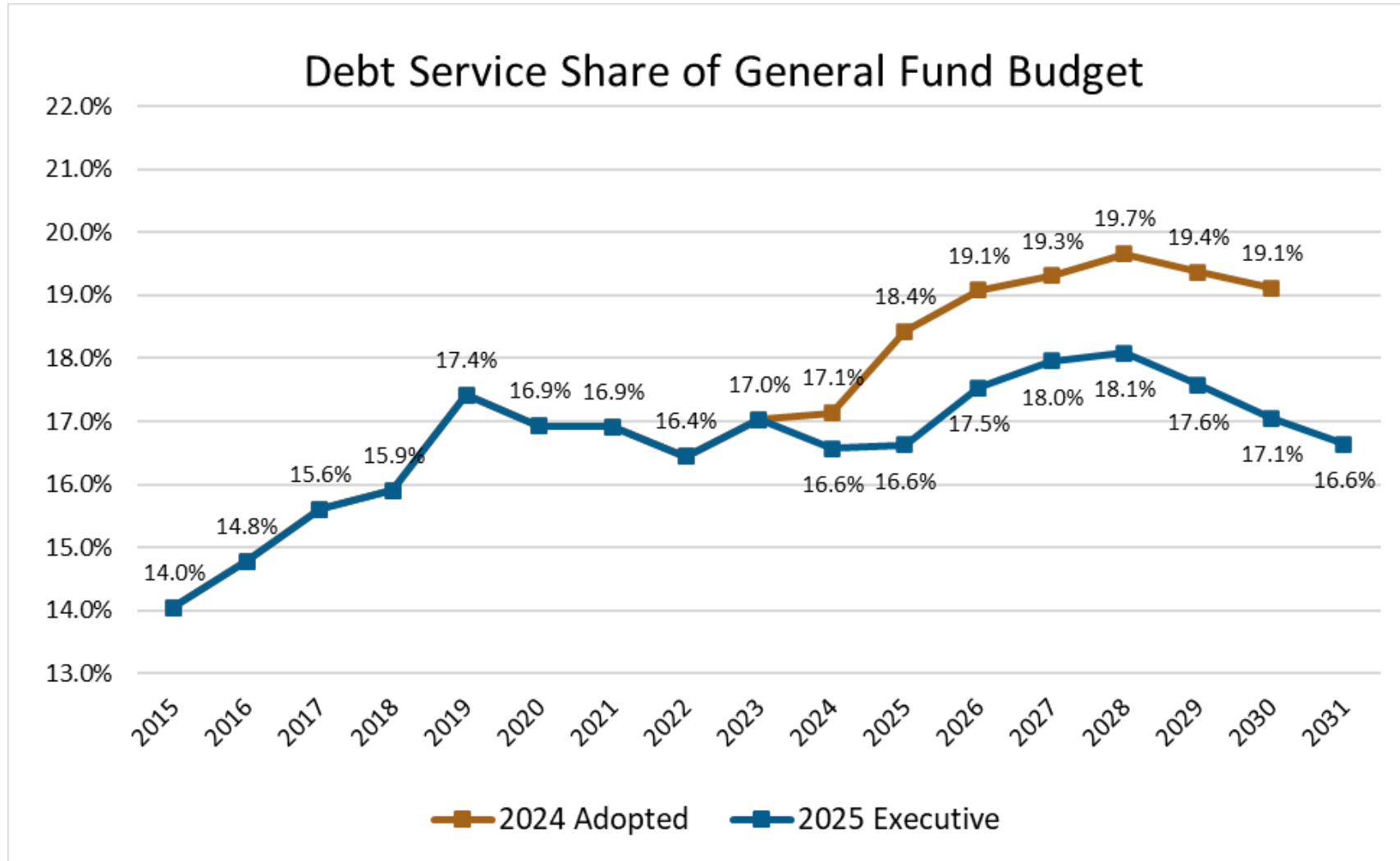
Operating Budget by Function

General & Library Funds

Budget by Function-General & Library Funds

	2023 Adopted	2024 Adopted	Change	% Change
Administration	27,742,871	30,665,782	2,922,911	10.54%
→ Debt Service	61,587,222	63,879,900	2,292,678	3.72%
General Government	2,717,556	2,981,006	263,450	9.69%
Misc & Dir Approp to Cap	15,834,346	10,076,416	(5,757,930)	-36.36%
Planning & Development	30,474,418	28,351,278	(2,123,140)	-6.97%
Public Facilities	19,770,825	20,748,477	977,652	4.94%
Public Safety & Health	165,144,960	172,427,357	7,282,398	4.41%
Public Works	47,808,168	50,110,608	2,302,440	4.82%
Transportation	11,249,564	26,127,925	14,878,362	132.26%
TOTAL	382,329,929	405,368,750	23,038,821	6.03%

Projected debt service as a share of the budget is lower than 2024



Impact of Debt Service on Expenditures

- City cannot cut debt service on already issued debt; otherwise will default
- Levy Limit Calculation
 - Increases prior year levy by net new construction factor, ***excluding debt service***
 - Adds debt service for upcoming year based on amount borrowed in current year (ex. 2025 debt service in levy limit = 2024 borrowing = 2024 adopted capital budget)
- Interaction between Levy Limit and Debt Service
 - Less debt service ***does*** lower allowable total property tax
 - Less debt service ***does not*** increase the allowable levy for operations
 - Debt service paid from other funds (e.g., Stormwater projects) helps the operating budget by creating allowable levy that does not need to be used for debt service
 - ***Reducing borrowing in the capital budget does not address the structural deficit***

Reducing Debt Service Example

Actual Levy Limit Calculation for 2024 Budget

	Allowable Levy	Debt Service	Total Allowable Levy
Prior Year Levy	166,704,583	107,986,613	274,691,196
Current Year	<u>170,172,778</u>	<u>116,324,921</u>	<u>286,497,699</u>
Difference	3,468,195	8,338,308	11,806,503

If Debt Service was \$1 million lower (\$7 million reduction in borrowing in 2023 capital budget)

	Allowable Levy	Debt Service	Total Allowable Levy
Prior Year Levy	166,704,583	107,986,613	274,691,196
Current Year	<u>170,172,778</u>	<u>115,324,921</u>	<u>285,497,699</u>
Difference	3,468,195	7,338,308	10,806,503

Same as Actual table above

\$1m less than Actual table above

Reducing debt service lowers total levy but does not change allowable levy for operations

Operating Budget Update

Operating Budget Updates

- Agency operating budget requests published in July:
<https://www.cityofmadison.com/finance/budget/2025/operating>
- Budget target for general fund agencies is 99% of cost to continue estimate
- Request packets include:
 - Summary table showing budget by fund
 - Memo from department head outlining goals, plan to meet 99% budget target, and lower priority service areas
 - 3-part “Service Budget Proposal Form” for each budgetary service
 - “Service Identification Form” to identify lower priority services (5% reduction target)
- [Update on Budget Process Document](#) explains scenarios with/without referendum and summarizes proposed cuts

2025 Operating budget will reflect new service structure

Current State: Agency budgets are organized by “service” to reflect their activities. These services were established ~10 years ago with the implementation of Munis and may not reflect an agency’s current activities or organization structure.

Purpose/ Goal: The Service Redesign is a component of **Results Madison** – a strategic framework to align city services with the outcomes that matter most to residents. The goals are to 1) review and update each agency’s Service structure to better reflect the agency’s activities, 2) improve internal and external reporting on budget and metrics, and 3) facilitate the strategic allocation of resources.

Potential Changes in Agency Budgets:

1. No Change:

Keep Service structure same as current Munis structure

2. Add Services:

Create new services to add granularity to budget

3. Consolidate:

Combine services that should not be standalone

4. Shift Activities:

Realign accounts across services to reflect operations

Example of New Services

About half of agencies had at least 1 service change in their request. Most changes involved creating new services.

- Police budget currently has 2 services: Field and Support
- 2025 budget will have 5 services, which provide more detail and transparency on the budget
- Operating budget will show budget history at the agency level but **will not show budget history at the service level**

Police

Agency Budget by Fund

Fund	2022 Actual	2023 Adopted	2023 Actual	2024 Adopted	2025 C2C	2025 Request
General	81,498,709	86,917,117	86,403,470	91,033,353	95,222,141	95,222,141
Other Grants	1,629,751	2,829,845	2,948,085	2,052,772	951,541	2,135,683
Other Restricted	239,032	168,500	185,404	312,828	312,828	227,800
Total	\$ 83,367,493	\$ 89,915,461	\$ 89,536,959	\$ 93,398,952	\$ 96,486,510	\$ 97,585,624

Agency Budget by Service

Service	2022 Actual	2023 Adopted	2023 Actual	2024 Adopted	2025 C2C	2025 Request
Administrative Services						14,618,631
Community Support Services	<i>Service history not shown due to Results Madison service restructure. Services listed here will take effect January 1, 2025.</i>					2,049,598
Criminal Investigative Service						18,116,045
Patrol Ops & Traffic Services						59,647,993
Training						3,153,357
Total	\$ 83,367,493	\$ 89,915,461	\$ 89,536,959	\$ 93,398,952	\$ 96,486,510	\$ 97,585,624