
2023 MID YEAR BUDGET OUTLOOK

PRESENTATION TO THE FINANCE COMMITTEE

JULY 31, 2023



AGENDA

- General and Library Fund
 - 2023 Projections
 - Agency Highlights
- Enterprise Agencies
 - Agency Highlights
- Review of the Midyear Appropriation

2023 PROJECTION: GENERAL FUND ONLY

	2023 Adopted Budget			
	Adopted Budget	Revised Budget	Mid Year Projection	Difference (mid year proj. – revised)
General Fund Revenue	(\$108,650,580)	(\$108,650,580)	(\$109,182,926)	(\$532,346)
Property Taxes	(\$253,908,524)	(\$253,908,524)	(\$253,908,524)	0
Total Revenues	(\$362,559,104)	(\$362,559,104)	(\$363,091,450)	(\$532,346)
Agency Revenues	(\$10,282,229)	(\$10,339,229)	(\$10,128,139)	\$211,089
Expenditures	\$372,841,332	\$373,171,321	\$362,553,426	(\$10,617,895)
Total Expenses	\$362,559,104	\$362,832,093	\$352,425,287	(\$10,406,806)
Projected (Surplus)/ Deficit			(\$10,666,163)	

Note: Total expenses \$10.4m lower than budgeted. Approximately half of this amount is contingent reserve (\$1.9m) and compensated absence escrow (\$4.0m), which are centrally budgeted and projected at \$0. The year end appropriation will reallocate funds once needs are known.

HIGHLIGHTS: GENERAL FUND REVENUES

- Total General Fund revenues are projecting \$0.5m above budget.
- The largest increase is from interest revenues which are projected to be \$1.4m above budget.
- Ambulance conveyance fees are estimated at \$11.4m or \$0.3m below budget.
- Building permit revenues are estimated at \$5.9m or \$0.3m below budget.

HIGHLIGHTS: GENERAL FUND EXPENSES

- Most agencies are projecting a surplus due to salary savings from turnover and vacancies.
- Note on agency personnel budgets:
 - Agency personnel budgets are built on a projection that estimates the cost of salaries & benefits based on authorized positions. The projection includes a flat percentage increase for step and longevity increases (1%) and 'salary savings' (2%) for turnover and vacancies.
 - Actual expenses may vary from the budget, depending on the step and longevity schedule for individual employees, turnover rates, etc.
 - Agencies that are fully staffed with minimal turnover may show a budget deficit; these deficits are a result of how the City budgets for positions, not caused by overspending by the agency.
- Projections do not account for mid-year GME catch up increases

Summary Table by Agency: Administration & General Government

General Fund Only

Agency	Adopted Budget	Revised Budget	Mid Year Projection	Difference	Comments
Assessor	\$3,079,070	\$3,141,570	\$3,079,007	\$62,563	Projected surplus due to salary savings
Attorney	\$3,209,248	\$3,209,303	\$3,240,426	(\$31,122)	Projected deficit due to compensated absence escrow
Civil Rights	\$2,399,743	\$2,399,743	\$2,166,025	\$233,719	Projected surplus due to salary savings
Clerk	\$2,279,693	\$2,279,693	\$2,272,081	\$7,612	Projected surplus due to salary savings
Common Council	\$1,196,631	\$1,196,631	\$933,680	\$262,951	Projected surplus due to failure of the passage of alder pay increases and salary savings
EAP	\$479,113	\$479,113	\$564,483	(\$85,370)	Projected deficit due to compensated absences
Finance	\$4,645,472	\$4,692,039	\$4,182,186	\$509,853	Projected surplus due to salary savings
HR	\$2,081,158	\$2,091,887	\$1,785,920	\$378,966	Projected surplus due to salary savings
IT	\$9,569,373	\$9,569,373	\$9,308,362	\$261,011	Projected surplus due to salary savings
Mayor	\$1,259,001	\$1,259,001	\$1,318,892	(\$59,891)	Projected deficit due to double-fill of deputy mayor position
Municipal Court	\$261,925	\$261,925	\$297,869	(\$35,944)	Projected deficit due to timing of revenue posting

Summary Table by Agency: Planning & Development

General Fund Only

Agency	Adopted Budget	Revised Budget	Mid Year Projection	Difference	Comments
Building Inspection	\$5,116,290	\$5,116,290	\$4,787,509	\$328,781	Projected surplus due to salary savings and lower than budgeted supply and purchased service costs
CDD	\$18,850,950	\$18,854,950	\$18,657,236	\$197,714	Projected surplus due to salary savings and other adjustments in agency revenues and expenses
EDD	\$2,324,802	\$2,324,802	\$1,954,467	\$370,335	Projected surplus due to salary savings
PCED – OD	\$620,344	\$624,965	\$620,298	\$4,667	Projected surplus due to salary savings
Planning	\$3,562,032	\$3,626,897	\$3,503,214	\$123,683	Projected surplus due to salary savings and lower than budgeted purchased service costs

Summary Table by Agency: Public Facilities

Library Fund Only

Agency	Adopted Budget	Revised Budget	Year End Projection	Difference	Comment
Library	\$19,770,825	\$19,828,025	\$19,310,061	\$517,964	Projected surplus due to salary savings

Summary Table by Agency: Public Works

General Fund Only

Agency	Adopted Budget	Revised Budget	Year End Projection	Difference	Comments
Engineering	\$5,066,401	\$5,066,401	\$4,729,524	\$336,877	Projected surplus due to salary savings
Streets	\$26,734,510	\$26,954,511	\$26,245,357	\$559,154	Projected surplus due to salary savings and underspending in snow removal supplies based on first half of year
Parks	\$16,007,257	\$15,787,346	\$15,159,493	\$627,853	Agency is projecting significant salary savings (\$550k); total surplus is offset by lower than anticipated agency revenues and higher than budgeted purchased service costs

Summary Table by Agency: Transportation

General Fund Only

Agency	Adopted Budget	Revised Budget	Year End Projection	Difference	Comments
Transportation	\$568,320	\$568,320	\$303,551	\$264,769	Projected surplus due to salary savings
Traffic Engineering	\$8,671,580	\$8,671,580	\$8,260,780	\$410,800	Projected surplus due to salary savings

Summary Table by Agency: Public Safety

Agency	Adopted Budget	Revised Budget	Year End Projection	Difference	Comments
Fire	\$68,098,376	\$68,200,476	\$68,187,926	\$12,549	<p>Fire is projected to be at budget.</p> <ul style="list-style-type: none"> • Permanent salaries are anticipated to be under budget \$2.5 million. • Overtime is anticipated to be over budget \$1.4 million primarily due to minimum staffing. • The current level of absences has been running 10 per day. • Retiree sick leave payouts are anticipated to be \$976,000.
Police	\$86,917,117	\$87,438,732	\$86,765,074	\$673,658	<p>Police is projected to be under budget approximately \$674,000.</p> <ul style="list-style-type: none"> • Permanent salaries are anticipated to be under budget \$1.9 million. • Overtime is projected to be over budget \$137,000. • Retiree sick leave payouts are anticipated to be \$860,000. • All salaries and benefits are projected under budget \$731,000.
Independent Monitor	\$473,168	\$473,168	\$295,899	\$177,269	Projected surplus due to salary savings

NON-GENERAL FUND PROJECTION HIGHLIGHTS

- **Fleet Services:** Projecting a \$800k surplus in supplies due to lower than budgeted fuel costs, and a \$430k deficit in purchased services primarily due to higher vehicle repair and maintenance costs.
- **Golf :** Projecting additional \$350k in revenue from fee-based services.
- **Metro:** Budgeted \$22.4m in federal recovery funds, projected to utilize full amount
- **Parking Utility:** Projecting Charge revenues to be \$1m under budget and Permit revenues \$1.4m over budget. Parking is not estimated to need \$2.6m in fund balance included in adopted budget.
- **Public Health:** Projecting revenues over budget by \$837k due to receipt of unbudgeted FEMA COVID vaccination funds. Personnel is projected to be under budget by \$2.27m; the department currently has 20 vacancies, but overtime and hourly wages are projected to be over budget by \$1.14m. The department anticipated needing \$1.1m from fund balance, but additional revenues and salary savings from vacancies should cover the deficit.
- **Sewer:** Projecting revenues to be \$156k higher than budget, due to rate increase
- **Streets Resource Recovery Special Charge:** Projecting expenses to be under budget due to salary savings and lower than budgeted expense for processing fees due to contract with Pellitteri
- **Water:** Projecting revenues to be \$6.27 million higher than budget, due to rate increase effective March 2023; anticipate a year-end Transfer Out to capital



MIDYEAR RESOLUTION



CARRYFORWARD ENCUMBRANCES

Encumbrances that are outstanding at year-end may be carried forward into the next year if contracted services span multiple years. The City centrally budgets for carryforward encumbrances and transfers funds to agencies on an as needed basis

General and Library Fund

- \$330,189 in carryforward encumbrances from multiple General + Library Fund
- \$233,568 budgeted in direct appropriations
- Remainder will be transferred from the general fund balance (\$39,421) and library fund balance (\$57,200)

Public Health

- \$410,266 in carryforward encumbrances
- PHMDC has sufficient fund balance to cover this expense

TOWN OF MADISON AND OTHER UNBUDGETED EXPENSES

- City occupancy of Town Hall facility was not included in 2023 budget due to timing; need to increase budget authority for maintenance
 - Total expenses = 84,480
 - Increase ID billings and charges by same amount
 - General Fund Impact = \$41,760
- AutoCAD/ BLD – shifting software licenses to capital; not included in budget
 - Total cost = \$113,827

Total Transfer out of General and Library Fund Balance: \$252,208
Remaining Expenditure Restraint Program (ERP) Capacity: \$14.3 million

INTRA-AGENCY TRANSFERS: GENERAL & GRANT FUND

General Fund

- **Traffic Engineering:** Transfer \$200,000 from salaries to purchased services to cover unbudgeted cost of mandated railroad study and higher than budgeted electricity costs
- **Transportation:** Transfer \$31,500 from salaries to supplies (\$19,500) and purchased services (\$12,000) for furniture and consulting

Grant Fund

- **Police:** Transfer of \$161,945 from state revenue to fund balance applied in the DOJ Recertification and Academy grant project. Payment was received in December 2022 instead of 2023 as anticipated.

INTRA-AGENCY TRANSFERS: OTHER FUNDS

- **CDA Housing:** Increase federal revenues by \$2.2 million for Housing Assistance Payments (HAP) and increase purchased services by \$1.4m for HAP; Increase use of fund balance and purchased services by \$60,000 for the Triangle New Year Master Plan
- **CDA Redevelopment:** Increase use of fund balance and purchased services by \$600,000 for MRCDC building improvements
- **Golf:** Increase revenues from charges for service by \$350,000 (supported by trends in higher usage of fee-based services and facilities) and increase expenses for salaries (\$90,000), supplies (\$110,000) and purchased services (\$150,000)
- **Fleet:** Transfer \$250,000 from supplies to purchased services to cover maintenance and repair costs

CAPITAL BUDGET TRANSFERS: PROJECTS SWAPPING GENERAL OBLIGATION PROCEEDS

In advance of the City’s annual general obligation debt sale each fall, agencies are asked to review all capital projects to help ascertain the amount of borrowing proceeds needed. Through this exercise, agencies identified projects that will not spend down their full authorized budget. As a result, agencies are requesting to transfer previously authorized budget across projects.

Agency	Projects receiving 2021 and 2022 GO proceeds	Projects transferring 2021 and 2022 GO proceeds to free up borrowing authority	Amount
ENGINEERING - MAJOR STREETS	11958 - CITY VIEW DRIVE - PHASE 2	12454 - HIGH POINT RD AND RAYMOND RD	99,847.18
ENGINEERING - MAJOR STREETS	11958 - CITY VIEW DRIVE - PHASE 2	12952 - STARKWEATHER DR RECONSTRUCTION 2021	40,464.59
ENGINEERING - MAJOR STREETS	11958 - CITY VIEW DRIVE - PHASE 2	13170 - DAVIES, MAJOR, DEMPSEY, MAHER RECON	121,377.71
ENGINEERING - MAJOR STREETS	12691 - RESURFACING 2020	11128 - BLAIR ST, SOUTH	6,631.67
ENGINEERING - MAJOR STREETS	12694 - ROCKSTREAM DRIVE	13170 - DAVIES, MAJOR, DEMPSEY, MAHER RECON	14,370.83
ENGINEERING - MAJOR STREETS	12790 - FISH HATCHERY PAVEMENT REPLACEMENT	13170 - DAVIES, MAJOR, DEMPSEY, MAHER RECON	2,566.91
ENGINEERING - MAJOR STREETS	12790 - FISH HATCHERY PAVEMENT REPLACEMENT	14126 - RR CROSSINGS & QUIET ZONES 2023	26,161.34
ENGINEERING - FACILITIES MGMT	13138 - HORIZON LIST PLANNING 2021	13553 - OLBRICH CISTERN	3,830.91
ENGINEERING - MAJOR STREETS	13173 - W WASHINGTON AVE RESURFACING	13170 - DAVIES, MAJOR, DEMPSEY, MAHER RECON	20,819.86
STORMWATER	13180 - BROOKS, FAHRENBROOK, COLLEGE RESURF	11158 - CAP CITY TRAIL BUCKEYE EXT SEG 5&6	15,000.00
STORMWATER	13180 - BROOKS, FAHRENBROOK, COLLEGE RESURF	14137 - STORMWATER QUALITY SYSTEM IMPR 2023	272.50
STORMWATER	13271 - FORSTER DR RESURFACING	14137 - STORMWATER QUALITY SYSTEM IMPR 2023	1,576.84
ENGINEERING - MAJOR STREETS	13271 - FORSTER DR RESURFACING	11132 - S PARK ST (W WASH-OLIN, RR-BADGER)	48,489.82
ENGINEERING - MAJOR STREETS	13271 - FORSTER DR RESURFACING	11128 - BLAIR ST, SOUTH	48,185.09
ENGINEERING - PED/BIKE	13574 - BIKEWAYS PROGRAM 2022	14127 - BIKEWAYS PROGRAM 2023	10,904.71
ENGINEERING - MAJOR STREETS	13582 - RECONSTRUCTION STREETS 2022	13170 - DAVIES, MAJOR, DEMPSEY, MAHER RECON	80,193.12
STORMWATER	13598 - VAL PH11 STORM BOX CULVERT	14137 - STORMWATER QUALITY SYSTEM IMPR 2023	142,000.00
ENGINEERING - FACILITIES MGMT	13614 - CCB IMPROVEMENTS 2022	13553 - OLBRICH CISTERN	21,169.09
ENGINEERING - FACILITIES MGMT	13614 - CCB IMPROVEMENTS 2022	13554 - OLBRICH EXPANSION MISC ITEMS	1,683.95
ENGINEERING - MAJOR STREETS	13719 - CRACK REPAIR AND CHIP SEAL 2022	13170 - DAVIES, MAJOR, DEMPSEY, MAHER RECON	3,243.54
STORMWATER	13757 - HILL CREEK LAND ACQUISITION	14137 - STORMWATER QUALITY SYSTEM IMPR 2023	286,000.00
ENGINEERING - MAJOR STREETS	13785 - E GORHAM & BLAIR RRFB	13170 - DAVIES, MAJOR, DEMPSEY, MAHER RECON	2,889.58
ENGINEERING - MAJOR STREETS	14094 - W WASHINGTON AVE & S HENRY ST	13170 - DAVIES, MAJOR, DEMPSEY, MAHER RECON	148.56
TOTAL			997,827.80

CAPITAL BUDGET TRANSFERS: WATER UTILITY

The proposed resolution amends the adopted 2023 Water Utility Capital budget by authorizing net-neutral transfers of existing budget authority across various major projects and programs. The proposed transfers reflect current 2023 scope and schedule adjustments and does not result in any new or additional budget authority for the Utility. Project costs are funded through Water Utility reserves and do not increase the utility's debt obligations.

- 14413 – 229 FELLAND ROAD BOOSTER PUMP INSTALL → Transfer \$350,000 from 11900 – WELL 14 MITIGATION
- 14865-86-140 – UNIT WELL 11 GENERATOR ADDITION → Transfer \$150,000 from 11900 – WELL 14 MITIGATION
- 11986-86-179 – WEST WILSON ST-HENRY TO BROOM → Transfer \$125,000 from 12195-86-179 – HILLCREST DR, STANDISH CT, ALDEN DR
- 11168-86-179 – UNIVERSITY AVE (SHOREWOOD-UNIV BAY) → Transfer \$300,000 from 12195-86-179 – HILLCREST DR, STANDISH CT, ALDEN DR

CAPITAL BUDGET TRANSFERS: CDD/ TIF

The 2023 adopted budget listed \$7,000,000 in TIF proceeds, however, the actual amount available is \$6,073,400. The resolution would correct the TIF funding amount and add \$926,600 in General Obligation borrowing to maintain the same total level of funding for the program.