



# City of Madison

City of Madison  
Madison, WI 53703  
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## Master

**File Number: 89041**

**File ID:** 89041

**File Type:** Resolution

**Status:** Report of Officer

**Version:** 1

**Reference:**

**Controlling Body:** Finance  
Department

**File Created Date :** 07/08/2025

**File Name:** 2025 Mid-Year Budget Appropriation

**Final Action:**

**Title:** Mid-Year Appropriation Resolution amending the 2025 Adopted Operating Budget by taking the following actions: appropriating \$2.3 million in general fund balance, appropriating \$30,128 in library fund balance, appropriating \$253,185 in Public Health fund balance, making transfers within agency budgets based on projected spending through the 2nd quarter of 2025, and appropriating revenues and making other adjustments in non-general fund agencies; and amending the 2025 Adopted Capital Budget by taking the following actions: updating project descriptions for approved capital projects, appropriating funding from non-borrowing sources, updating TID proceeds and borrowing based on recently adopted amendments to TID project plans, authorizing transfers of borrowing across projects, and removing excess borrowing.

### Notes:

**Sponsors:** Satya V. Rhodes-Conway

**Effective Date:**

**Attachments:** 2025 2ndQ Projection - FC.pdf, 2025 2ndQ  
Projection - FC v2.pdf

**Enactment Number:**

**Author:** Christine Koh

**Hearing Date:**

**Entered by:** ckoh@cityofmadison.com

**Published Date:**

### History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Finance Department	07/08/2025	Referred for Introduction				
	<b>Action Text:</b> This Resolution was Referred for Introduction						
	<b>Notes:</b> Finance Committee (7/28/25), Common Council (8/5/25)						
1	COMMON COUNCIL	07/15/2025	Referred	FINANCE COMMITTEE		07/28/2025	
	<b>Action Text:</b> This Resolution was Referred to the FINANCE COMMITTEE						
1	FINANCE COMMITTEE	07/28/2025	RECOMMEND TO COUNCIL TO ADOPT (15 VOTES REQUIRED) - REPORT OF OFFICER				Pass

**Action Text:** A motion was made by Vidaver, seconded by Govindarajan, to RECOMMEND TO COUNCIL TO ADOPT (15 VOTES REQUIRED) - REPORT OF OFFICER. The motion passed by voice vote/other.

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## **Text of Legislative File 89041**

### **Title**

Mid-Year Appropriation Resolution amending the 2025 Adopted Operating Budget by taking the following actions: appropriating \$2.3 million in general fund balance, appropriating \$30,128 in library fund balance, appropriating \$253,185 in Public Health fund balance, making transfers within agency budgets based on projected spending through the 2nd quarter of 2025, and appropriating revenues and making other adjustments in non-general fund agencies; and amending the 2025 Adopted Capital Budget by taking the following actions: updating project descriptions for approved capital projects, appropriating funding from non-borrowing sources, updating TID proceeds and borrowing based on recently adopted amendments to TID project plans, authorizing transfers of borrowing across projects, and removing excess borrowing.

### **Fiscal Note**

The proposed resolution amends the 2025 adopted operating budget to appropriate \$2.3 million in general fund balance to meet projected costs within the allowable maximum amount to continue qualifying for a payment under the State's Expenditure Restraint Incentive Program (ERIP), increase budget authority from non-levy sources for various agencies, and make other technical adjustments within various agency budgets. The resolution also amends various capital budget projects based on available funding sources and borrowing. The amounts proposed in the mid-year appropriation resolution are based on budget projections using actual expenditure data from January through May 2025.

### **Expenditure Restraint Incentive Program (ERIP) and General Fund Balance**

Under the State of Wisconsin Expenditure Restraint Incentive Program (ERIP), the City must limit the growth in its General Fund budget over the prior year, excluding debt service, to rate of inflation plus 60% of the net new construction factor in order to qualify for a state aid payment of approximately \$7 million. In 2025, the remaining expenditure capacity under ERIP is \$2.3 million. The mid-year resolution appropriates \$0.3 million in General Fund unassigned balance for carryforward encumbrances, as described in the following section, and an additional \$2.0 million to various agencies to make technical adjustments and address projected deficits. This appropriation will increase the 2025 budget the maximum allowable level to continue qualifying for an ERIP payment and increase the base amount for establishing the maximum allowable 2026 budget amount to continue qualifying for an ERIP amount.

The General Fund unassigned balance has sufficient funding to support this additional appropriation. As of December 31, 2024, General Fund unassigned balance was \$110.6 million, which is 27 percent of the 2025 General Fund budget (city policy goal is to have a general fund balance of at least 15 percent of the subsequent year budget).

### **Carryforward Encumbrances**

The 2025 adopted operating budget includes \$400,000 for encumbrances associated with contracts that span multiple years, which is centrally budgeted in Direct Appropriations. The total amount carried forward from 2024 for the General Fund is \$702,880. The resolution transfers centrally budgeted funds and appropriates general fund balance (\$302,880) to agency budgets for carry forward encumbrances.

The total amount carried forward from 2024 for Library totals \$30,128. The resolution transfers budget from the Library fund balance for carry forward encumbrances.

The total amount carried forward from 2024 for Public Health totals \$253,185. The resolution transfers budget from Public Health's fund balance for carry forward encumbrances.

### **Intra-Agency Transfers**

The resolution authorizes \$273,500 in transfers across major expenditure categories within General Fund agency budgets and \$200,000 in transfers across major expenditure categories within the Fleet budget to cover projected deficits. These transfers are net neutral across the 2025 adopted budget.

### **Other Appropriations and Agency Revenue Adjustments**

The resolution increases the budget authority in multiple agency budgets due to projected increases in non-levy sources, including agency revenues, grants, and federal sources.

Proposed increases include:

#### *General Fund:*

- Traffic Engineering: Adds \$16,000 in agency revenues and supplies for a grant awarded to purchase crossing guard stop paddles. Funding was originally appropriated in the 2024 mid-year appropriation resolution (RES-24-00514) but not expended and needs to be reauthorized.

#### *Other Funds:*

- CDA Fund: Appropriate \$7.6 million in federal revenues and increase associated expenses for administering Section 8 Housing Vouchers based on current trends and anticipated federal reimbursement
- CDBG Fund: Reauthorize \$4.8 million in federal HOME funds that were approved in the 2024 budget and were not carried forward in the 2025 budget to support the Triangle Redevelopment project; and authorize an additional \$7,621 in HOME-ARP revenues and expenses based on the final award amount from the U.S. Department of Housing and Urban Development
- Grant Fund (Fire): Appropriate \$37,000 from a lapsed State HAZMAT grant for additional personnel and non-personnel expenses in the Fire Department budget
- Golf Enterprise: Increase agency revenues and expenses by \$800,562 based on higher than budgeted activity
- Public Health: Appropriate \$118,000 in County revenues for the Saving our Babies project (\$50,000) and Tenant Capacity Building (68,000); County funding was planned for 2025 and unintentionally omitted from the City budget document

### **Capital Budget: Multiple Projects**

The proposed resolution amends the adopted 2025 capital budget by updating project descriptions for approved capital projects, appropriating non-general obligation funding sources and related expenditures, updating funding sources based on recently adopted amendments to TID project plans, authorizing transfers of borrowing across projects, and removing excess funding. The proposed changes reflect current 2025 scope and schedule adjustments.

- Library: The 2025 Adopted Budget included \$250,000 for Central Library Improvements (project # 17036). This funding was originally added to the capital improvement plan in 2024 through Finance Committee Amendment #9, which specified funding in 2025 would be used for pre-design and scoping for recommendations to refresh Central Library. Library staff have identified more immediate capital needs at Central Library. The resolution would authorize changing the project description approved by the

Finance Committee amendment. There is no change to the total funding amount.

- Economic Development Division/ Parks: In 2024, RES-24-00357 amended the EDD budget to add \$2.0 million in general fund (GF) general obligation (GO) borrowing for the Breese Stevens Field Improvements project. The resolution also directed City staff to pursue an amendment to the TID #36 Project Plan to utilize TID increment in lieu of GF GO borrowing. In March 2025, RES-25-00167 approved an amendment to the project plan for TID #36 and authorized \$1.0 million in TID #36 proceeds for this project. This resolution would cancel the \$2.0 million in GF GO approved in EDD's budget and appropriate \$1.0 million in TID proceeds in the Parks budget.
- Engineering - Major Streets: Park Street, South (Project # 11133) included \$1,192,000 in stormwater utility supported GO borrowing. In July 2025, RES-25-00411 approved an amendment to the project plan for TID #48 that approved the use of TID-supported GO borrowing for the project. This resolution would remove stormwater- GO borrowing and appropriate TIF-GO borrowing for the project.
- Parks: The Yahara Hills Culvert Replacement project is a minor project under the Park Land Improvements program. Parks originally allocated \$25,000 in GF GO borrowing for this minor project. As a golf facility, the project should be funded through golf funds. The resolution would amend the budget and appropriate \$25,000 in Golf Reserves for the project. Parks will transfer the existing GF GO Borrowing to another eligible project within the major Park Land Improvement program. The resolution will not change the total borrowing for the project.
- Traffic Engineering: The City received a grant in mid-2024 to support improvements to the City's automated bicycle counter (RES-24-00445). The federal grant funds were unintentionally omitted from the 2025 adopted budget due to the timing of the grant notification. This resolution would appropriate \$132,000 in federal revenue and commensurate expenditure authority in project 14700 - 2024 Pedestrian Bicycle Counters.

### **Body**

WHEREAS, multiple general fund agencies have incurred \$702,880 in expenses from carryforward encumbrances for contracts and services that span multiple years; and,

WHEREAS, the 2025 Adopted Operating Budget includes \$400,000 within Direct Appropriations, a centrally budgeted location, that is intended to be transferred to agency budgets to cover carryforward agency encumbrances once the total costs are known; and

WHEREAS, general fund balance is available to cover the cost of the remaining \$302,880 in carryforward encumbrances; and,

WHEREAS, Library has a carryforward encumbrance of \$30,128 in its sub-fund for private donations and has sufficient fund balance to cover this expense; and

WHEREAS, Public Health has a carryforward encumbrance of \$253,185 and has sufficient fund balance to cover this expense; and

WHEREAS, the following agencies are projecting deficits or need a technical adjustment to their budget that cannot be accommodated with an intra-agency transfer:

- Civil Rights: Projecting a deficit of \$45,000 in purchased services for translation and interpretation services
- Clerk: Projecting a deficit of \$311,000 in salaries (\$53,400) and benefits (\$38,600) for staffing costs including extending a limited term position and temporarily reclassifying

permanent positions; supplies (\$60,900) for costs related to an additional special election; and purchased services (\$158,100) for software costs related to operating the Bluecrest absentee ballot mailing system

- Finance: Reducing the Finance inter-departmental billing to Water Utility by \$168,700 due to a technical adjustment to the cost allocation plan
- Mayor: Projecting a deficit in purchased services for software (\$42,200) due to federal grant funds no longer being available to pay for software costs, and for consulting services (\$17,800) from The Welch Group due to the approved contract (RES-25-00141) being higher than the amount budgeted in direct appropriations
- Metro: Projecting a \$4 million deficit due to revenues estimated to be under budget by approximately \$2 million and expenses estimated to be higher than budget by \$2 million. Metro and the Finance Department will continue to monitor projections throughout the year. The mid-year resolution proposes increasing the general fund subsidy to Metro by \$1.4 million to support purchased services costs; and,

WHEREAS, the General Fund unassigned balance is available to cover the increased expenses; and

WHEREAS, various city agencies require intra-agency transfers to their budget to cover projected deficits in major expenditure categories based on the mid-year budget projection; and

WHEREAS, Traffic Engineering was awarded a \$16,000 grant in 2024 to purchase crossing guard stop paddles. Funding was not expended in 2024 and needs to be reauthorized in 2025; and,

WHEREAS, CDA Housing anticipates an additional \$7.6 million in Section 8 Housing Voucher expenses and revenues based on trends from the first half of 2025; and,

WHEREAS, legislative file 76395 (RES-23-00192) authorized the acceptance of \$5,076,197 of supplemental HOME Investment Partnerships Program grant funds from the U.S. Department of Housing and Urban Development (HUD) made available through the American Rescue Plan Act (HOME-ARP). These funds were appropriated within the Community Development Division's 2023 Adopted Budget within the CDBG Fund (Munis project #72921) and reauthorized in the 2024 and 2025 Adopted Budgets. In April of this year, HUD informed the City that the original award amount should have been \$5,083,818, which is \$7,621 greater than the amount authorized in the budget; and,

WHEREAS, legislative file 85820 (RES-24-00691) authorized a \$10.0 million loan to the Madison Revitalization and Community Development Corporation (MRCDC) to support Phase 1 of the Triangle Redevelopment project. \$4.8 million of the \$10.0 million was to be funded by federal HOME funds available in the Community Development Division's 2024 Adopted Budget within the CDBG Fund. These HOME funds were not appropriated in the 2025 Adopted Operating Budget due to the timing of the loan resolution; and

WHEREAS, the Fire Department receives an annual State HAZMAT grant for personnel and non-personnel expenses. This grant was not fully expended in prior years. Approximately \$122,000 in lapsed grant funding has accrued in fund balance. The Fire Department has identified an additional \$37,000 in eligible HAZMAT costs for 2025 and needs to reappropriate grant funds for this purpose; and,

WHEREAS, the Golf enterprise is anticipating higher than budgeted revenues from greens fees

and facility rentals, and projects higher associated expenses for personnel, supplies, and purchased services; and,

WHEREAS, the Public Health budget includes various County-funded initiatives, including \$50,000 for the Saving Our Babies project and \$68,000 for Tenant Capacity Building. These county-funded initiatives were planned for 2025 but unintentionally omitted from the City budget document, and funding and expenses need to be reappropriated through the mid-year resolution; and,

WHEREAS, the Library's Central Library Improvement project specified \$250,000 would be used for pre-design and scoping for recommendations to refresh Central Library. Library staff have identified more immediate capital needs at Central Library and wish to utilize the pre-design and scoping funds for other purposes; and,

WHEREAS, in 2024, RES-24-00357 amended the EDD budget to add \$2.0 million in GF GO borrowing for the Breese Stevens Field Improvements project and directed staff to pursue an amendment to the TID #36 project plan to use TID proceeds in lieu of borrowing. The TID #36 project plan amendment was approved in March 2025 (RES-25-00167) and authorized \$1.0 million in TID #36 proceeds in the Parks division; and,

WHEREAS, the Engineering - Major Streets budget included \$1,192,000 in stormwater utility supported GO borrowing for Park Street, South (Project # 11133). In July 2025, RES-25-00411 approved an amendment to the project plan for TID #48 that approved the use of TID-supported GO borrowing for the project; and,

WHEREAS, golf assets should be funded by the Golf Utility rather than the general fund Parks budget. The Yahara Hills Culvert Replacement project, a minor project in the Park Land Improvement program, included \$25,000 in GF GO borrowing, which should be changed to Golf Reserves; and,

WHEREAS, Traffic Engineering received \$132,000 in federal grant funds (RES-24-00445) to support improvements to the City's automated bicycle counter, but the funds were not appropriated in the 2025 budget.

NOW THEREFORE BE IT RESOLVED, the Common Council amends the 2025 Adopted Operating Budget by transferring \$400,000 from Direct Appropriations and appropriating \$302,880 from general fund balance to the following agency budgets for encumbrances that were carried forward from 2024:

- Clerk: \$3,508
- Community Development Division: \$1,080
- Direct Appropriations (funding for citywide compensation study): \$167,026
- Economic Development Division: \$200,000
- Engineering: \$3,673
- Fire: \$30,337
- Human Resources: \$16,650
- Information Technology: \$171,386
- Office of the Independent Monitor: \$6,200
- Parks: \$10,075
- Planning: \$57,524
- Police: \$11,648

- Traffic Engineering: \$23,772: and,

BE IT FURTHER RESOLVED, the Common Council amends the 2025 Adopted Operating Budget by transferring \$30,128 from Library's fund balance for carry forward encumbrances within that agency; and,

BE IT FURTHER RESOLVED, the Common Council amends the 2025 Adopted Operating Budget by transferring \$235,185 from Public Health fund balance for carry forward encumbrances within that agency; and,

BE IT FURTHER RESOLVED, the Common Council amends the 2024 adopted operating budget by appropriating \$2.3 million from General Fund unassigned balance to the following agencies:

- Civil Rights: Provide \$45,000 in purchased services for interpretation services
- Clerk: Provide \$311,000 in salaries (\$53k), benefits (\$39k), supplies (\$61k) and purchased services (\$158k)
- Finance: Reduce inter-departmental billings to Water Utility by \$168,700 and make corresponding change to Water Utility's inter-departmental charges; provide \$168,700 to offset the reduction in billings
- Mayor: Provide \$60,000 in purchased services for software (\$42,200) and consulting costs (\$17,800)
- Metro: Increase the general fund subsidy to Metro by \$1,412,420 and increase Metro's purchased service budget for ongoing operational costs; and,

BE IT FURTHER RESOLVED, the Common Council amends the 2025 adopted operating budget to authorize the following transfers to expenditure categories within agencies:

#### *General Fund*

- Assessor: Transfer \$35,000 from salaries to purchased services for increased expenses for consulting services for modeling
- Building Inspection: Transfer \$10,000 from supplies to purchased services for legal services
- Common Council: Transfer \$10,000 from benefits to salaries to align budget lines with actual spending
- Engineering: Transfer \$128,500 from salaries to supplies (\$107,500) and purchased services (\$21,000) for facility maintenance costs
- Economic Development Division: Transfer \$15,000 from salaries to purchased services for subscription fees
- Finance: Transfer \$10,000 from purchased services to supplies for postage fees
- Fire: Transfer \$65,000 from purchased services to supplies for a CARES van that was ordered in 2024 and received in 2025

#### *Other Funds*

- Fleet Service: Transfer \$200,000 from supplies to purchased services for vehicle repairs and maintenance

BE IT FURTHER RESOLVED, the Common Council amends the 2025 adopted operating budget to appropriate funds and increase budget authority to pay for expenses that are supported by non-levy revenue sources:

*General Fund:*

- Traffic Engineering: Add \$16,000 in agency revenues and supplies crossing guard stop paddles funded through a grant

*Other Funds:*

- CDA Fund: Appropriate \$7.6 million in federal revenues and increase associated expenses for administering Section 8 Housing Vouchers based on current trends and anticipated federal reimbursement
- CDBG Fund: Reauthorize \$4.8 million in federal HOME funds that were approved in the 2024 budget and were not carried forward in the 2025 budget; and authorize an additional \$7,621 in HOME-ARP revenues and expenses based on the final award amount from HUD
- Grant Fund (Fire): Appropriate \$37,000 from a lapsed HAZMAT grant for additional personnel and non-personnel expenses related to the HAZMAT grant in the Fire Department budget
- Golf Enterprise: Increase agency revenues and expenses by \$800,562 based on higher than budgeted activity and increase salaries (\$466,598), benefits (\$178,964), supplies (\$105,000), and purchased services (\$50,000)
- Public Health: Appropriate \$118,000 in County revenues for the Saving our Babies project (\$50,000) and Tenant Capacity Building (68,000); County funding was planned for 2025 and unintentionally omitted from the City budget document

BE IT FURTHER RESOLVED, the description for the Central Library Improvements project is updated to expand the scope of work and allow the Library director to address other capital needs at Central Library, including replacing a chiller and related electrical work, air ionizers, repurposing of the media lab space, refreshing the baby play area if funding is available, and other minor projects at the director's discretion; and,

BE IT FURTHER RESOLVED, the \$2.0 million in GF GO borrowing in EDD for Breese Stevens improvements (approved via RES-25-00167) is cancelled and \$1.0 million in TID #36 proceeds is appropriated in the Parks division budget, consistent with the TID #36 project plan amendment adopted via RES-25-00167; and,

BE IT FURTHER RESOLVED, the Engineering - Major Streets budget is amended to remove \$1,192,000 in stormwater utility support GO for Park Street, South (Project # 11133) and appropriate \$1,192,000 of TID #48 borrowing for the same project, consistent with the TID #38 project plan amendment adopted via RES-25-00411; and,

BE IT FURTHER RESOLVED, the Parks budget is amended to appropriate \$25,000 in golf reserves for the Yahara Hills Culvert replacement project, and the \$25,000 in GF GO borrowing originally allocated to the project will be transferred to another eligible Parks project within the Park Land Improvements program; and,

BE IT FINALLY RESOLVED, Traffic Engineering's capital budget is amended to appropriate \$132,000 in federal revenue and commensurate expenditure authority in project 14700 - 2024 Pedestrian Bicycle Counters.