
2019 3RD QUARTER OUTLOOK

PRESENTATION TO FINANCE COMMITTEE

NOVEMBER 11TH 2019



2019 PROJECTION: GENERAL & LIBRARY FUNDS

	2019 Adopted Budget			
	Adopted Budget	3 rd Quarter Actuals	Year-end Projection	Difference
General Fund Revenue	90,236,721	59,738,270	91,796,044	1,559,323
Property Taxes	241,829,722	223,499,592	241,203,158	(626,566)
Total Revenues	332,066,443	283,237,862	332,999,202	932,757
Expenditures	332,066,443	250,227,535	332,183,838	(117,394)
TOTAL				815,363

Property Taxes, Water Utility PILOT, Fines and Forfeitures, Building Permits and State Aid are expected to be down a total of \$2.5 million compared to budget.

Ambulance Fees, Investment Income, and an unanticipated TIF Reimbursement are expected to add \$3.4 million compared to budget.

Overall, 2019 could finish with an \$815K surplus (revenues exceed budget by \$932,757; spending exceeds budget by \$117,394).

3RD QUARTER EXPENDITURES: HIGHLIGHTS BY AGENCY

Civil Rights

Projection=\$140k Deficit

- Staffing costs assumed as grant-funded have been charged to the General Fund; Agency is reviewing charges to transfer eligible costs to grant fund
- Unbudgeted consultant expenditures that occurred in the 1st Quarter

Fire Department

Projection=\$1.9 Million Deficit

- Overtime projection increased from \$1.3m at 2nd Q to \$1.8m; the projection includes staffing levels to meet daily minimum staffing & projected leave payouts
- Exceeding budgeted salary savings; As of Oct 23rd, Department is overhired by 12 positions (due to recruits in Academy)

Human Resources

Projection=\$25k Deficit

- Deficit driven by exceeding personnel costs; Department has been fully staffed for majority of 2019

3RD QUARTER EXPENDITURES: HIGHLIGHTS BY AGENCY

Library

Projection=\$90k Deficit

- Deficit is driven by hourly staffing costs (\$167k projected deficit, up from \$147k at 2nd Quarter)
- Program supply spending has increased since 2nd Quarter, agency reviewing expenditures to ensure they do not exceed donations
- Deficit will be funded by Library fund balance

Municipal Court

Projection=\$80k Deficit

- Overall outlook improved by \$66k since 2nd Quarter
- Court fee revenue increasing from 2nd Quarter

Parks Division

Projection=\$50k Surplus

- Overall outlook improved by \$130k since 2nd Quarter
- Additional savings realized from staffing costs & purchased services savings

3RD QUARTER EXPENDITURES: HIGHLIGHTS BY AGENCY

PCED Director

Projection=\$90k Deficit

- Deficit driven by payouts and double-fill status of Director position

Planning

Projection=\$80k Deficit

- Deficit driven by staffing costs; Division has been fully staffed for majority of 2019-not realizing budgeted salary savings

Police

Projection=\$950k Deficit

- Overall outlook improved by \$50k from 2nd Quarter to 3rd Quarter
- Improved outlook driven by minor savings on staff time and overtime wages

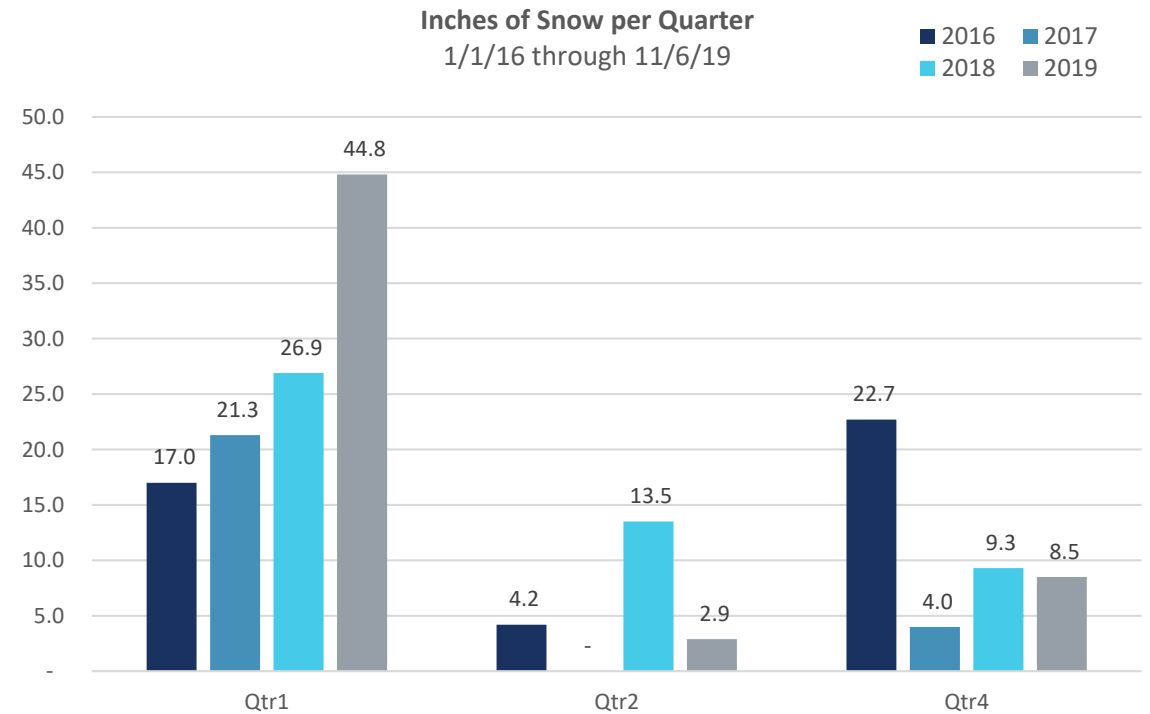
STREETS DIVISION & 4TH QUARTER SNOW PROJECTION

STREETS YEAREND PROJECTION=\$1.0M DEFICIT

- Deficit driven by shortfall in recycling revenues and projected snow removal costs

SNOW OUTLOOK

- Q4 snowfall already above 2017 levels and nearly at 2018 snow levels for Q4 with about eight weeks remaining.
- The 3rd quarter projections are based on four general plows and seven spreadings occurring in the 4th quarter.
- As of 11/7/19, there have been four general spreadings and no general plows have occurred in Q4.



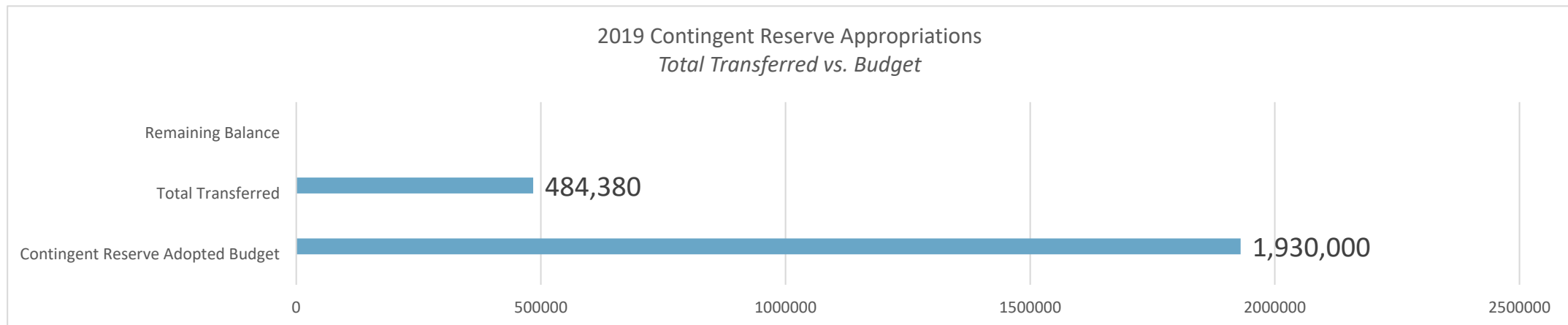
2019 Snow Events as of 11/7

Number of general plow snow events with contractors (3"+):	6
Number of general plow snow events Internal (3"+):	2
Number of salt/sand spreadings:	45

CONTINGENT RESERVE

CURRENT BALANCE = \$1.4M

- 2019 Approved Amendments
 - CDD: Tree Lane Security & Programming: \$420k
 - Planning: Phoenix to Ashes Project: \$14k
 - Direct Appropriations: 2019 Freakfest: \$50k
- The Year-end Appropriation will transfer the balance of the Contingent Reserve to the Fire Department to address the projected deficit.



2019: MITIGATING RISK

- Administrative Budget Actions were put in place in August have improved the overall outlook for 2019, these actions included:
 - Weekly review of hiring requisitions: During this time positions not needed for daily minimum staffing have been placed on hold until 2020
 - Additional review of non-personnel spending
- Since 3rd Quarter overall outlook has improved driven by lower than expected seasonal expenditures and overall reduction in projected personnel spending costs
- Prior projections assumed transferring additional funding to Metro; current cash position indicates Metro fund can absorb any projected deficit in 2019

YEAR-END APPROPRIATION

2019 Yearend Resolution

- The resolution will be introduced at the November 19th CC meeting; Finance Committee will take up the resolution on November 25th
- The year-end appropriation will be based on analysis from the 3rd Quarter

Anticipated Appropriations

- Transfer balances from Contingent Reserve and Direct Appropriations to resolve the projected deficit in the Fire Department
- Appropriate \$1.0 million (the maximum available under the ERP limit) to:
 - Police: Staffing Costs
 - Streets Division: Projected Snow Removal Costs

NON-GENERAL FUND PROJECTION HIGHLIGHTS BY AGENCY

- **Fleet**
 - Projected surplus = \$393,000
 - Driven by salary savings due to vacancies, and diesel and fuel savings due to lower locked rate than used in budget development.
- **Golf**
 - Projected deficit = \$743,000
 - Driven by shortfalls in revenues from user fees.
 - The projection assumes 2019 revenues will be \$317k higher than 2018 actual revenue.
- **Metro**
 - Projected deficit = \$500,000
 - Projected overtime deficit has increased from \$400k at the 2nd Quarter to \$700k at the 3rd Quarter; Driven by ongoing turnover and shortages in Transit Operators
 - Farebox revenue projected to have \$125k deficit

NON-GENERAL FUND PROJECTION HIGHLIGHTS BY AGENCY

- Monona Terrace
 - Projected Deficit = \$340k
 - Salaries are projected to exceed budget by \$337,000, primarily due to hourly employee wages and overtime, and benefits are projected to exceed budget by \$157,000.
 - Facility rental revenue, based on scheduled events, has a projected surplus of \$191,000.
- Parking
 - Projected Surplus = \$4.7m
 - Revenues projected at \$1.97m over budgeted amount and surplus in personnel costs of \$380k.
- Public Health
 - Projected Surplus = \$79,000
 - Savings realized due to vacant positions is offset by deficit in hourly wages for LTE positions, which will be eliminated when permanent staff is hired.
 - Additional savings are accruing in benefits due to vacancies.

NON-GENERAL FUND PROJECTION HIGHLIGHTS BY AGENCY

- Sewer
 - Projected Surplus = \$2.27m
 - Surplus projected in salaries due to ongoing capital project activity.
 - Savings in Purchased Services due to underspending of \$273k on plant improvements and repairs.
- Stormwater
 - Projected deficit = \$1.07m
 - Stormwater revenues are projected to come in \$1.8m below the budgeted amount of \$19.5m.
 - Overspending in purchased services associated with the Watershed Studies will be offset in part by salary and benefit savings.
- Water
 - Projected surplus = \$1.37m
 - Surplus assumes transferring \$1.4m of expenditures to Capital Budget; Without transfer Utility is projecting \$100k deficit
 - Water revenues are projected to come in \$3.0m below the budgeted amount (\$44.3m) due to usage trends.
 - The Finance Department continues to monitor the cash position of the Water Utility.