
2022 MID YEAR BUDGET OUTLOOK

PRESENTATION TO THE FINANCE COMMITTEE

JULY 25, 2022



AGENDA

- General and Library Fund
 - 2022 Projections
 - Agency Highlights
- Enterprise Agencies
 - Agency Highlights
- Review of the Midyear Appropriation

2022 PROJECTION: GENERAL FUND ONLY

	2022 Adopted Budget			
	Adopted Budget	Revised Budget	Mid Year Projection	Difference (mid year proj. – revised)
General Fund Revenue	(101,276,986)	(101,276,986)	(103,326,690)	(2,049,704)
Property Taxes	(239,977,138)	(239,977,138)	(239,977,138)	0
Total Revenues	(341,254,124)	(341,254,124)	(343,303,828)	(2,049,704)
Agency Revenues	(9,633,304)	(9,708,304)	(8,795,342)	912,962
Expenditures	350,887,428	351,388,799	342,307,616	(9,081,184)
Total Expenses	341,254,124	341,680,495	333,512,274	(8,168,221)
Projected Surplus			(9,791,555)	

HIGHLIGHTS: GENERAL FUND REVENUES

- Total General Fund revenues are projecting \$2.0m above budget.
- Construction related permits for building and street occupancy are projecting \$1.2m above budget.
- Increased interest on investments; projecting \$583k above budget.
- Ambulance conveyance fees are projecting \$800k above budgeted levels.

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.

Summary Table by Agency: Administration & General Government

General Fund Only

Agency	Adopted Budget	Revised Budget	Mid Year Projection	Difference	Comments
Assessor	2,867,419	2,893,031	2,623,013	(270,017)	Projected surplus due to salary savings
Attorney	2,979,123	2,979,468	3,004,074	24,606	Projected deficit due to compensated absences and compensated absence escrow
Civil Rights	2,171,235	2,171,235	2,040,166	(131,069)	Projected surplus due to salary savings
Clerk	3,541,911	3,541,911	3,281,418	(260,493)	Projected surplus due to salary savings
Common Council	984,187	984,187	824,078	(160,109)	Projected surplus due to salary savings
EAP	473,019	473,019	474,966	1,947	Projected deficit due to compensated absences
Finance	4,159,134	4,215,627	4,171,024	(44,603)	Projected surplus due to salary savings and lower than budgeted cost for audit services
HR	1,707,959	1,723,548	1,715,689	(7,859)	Projected surplus due to non-personnel savings
IT	9,438,775	9,445,964	9,482,865	36,901	Projected deficit due to not meeting salary savings
Mayor	1,142,239	1,142,239	1,189,836	47,597	Projected deficit due to not meeting salary savings
Municipal Court	230,111	230,111	239,118	9,007	Projected deficit due to not meeting salary savings

Summary Table by Agency: Planning & Development

General Fund Only

Agency	Adopted Budget	Revised Budget	Mid Year Projection	Difference	Comments
Building Inspection	4,935,448	4,935,448	4,841,458	(93,990)	Projected surplus due to lower than budgeted supply and purchased service costs
CDD	14,532,182	14,532,182	14,141,995	(240,187)	Projected surplus due to salary savings and other adjustments in agency revenues and expenses
EDD	2,182,679	2,183,114	1,990,438	(192,676)	Projected surplus due to salary savings
PCED – OD	622,820	626,980	461,533	(165,447)	Projected surplus due to salary savings
Planning	3,477,424	3,562,473	3,271,548	(290,925)	Projected surplus due to salary savings and lower than budgeted purchase service costs

Summary Table by Agency: Public Facilities

Library Fund Only

Agency	Adopted Budget	Revised Budget	Year End Projection	Difference	Comment
Library	19,066,904	19,066,904	18,750,282	(316,622)	Projected surplus due to donations that will not be fully spent in 2022

Summary Table by Agency: Public Works

General Fund Only

Agency	Adopted Budget	Revised Budget	Year End Projection	Difference	Comments
Engineering	4,528,690	4,539,341	4,442,567	(96,774)	Projected surplus due to salary savings
Streets	26,703,376	26,708,376	25,885,709	(822,666)	Projected surplus due to salary savings and significant underspending in snow removal supplies based on first half of year Delay in implementing Resource Recovery Special Charge; anticipate collecting 5 months of revenue (\$1.25m) instead of 6 months (\$1.5m) in 2022
Parks	15,535,002	15,552,939	15,540,090	(12,849)	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	533,224	537,049	316,655	(220,394)	Projected surplus due to salary savings
Traffic Engineering	8,429,177	8,501,986	8,073,845	(428,141)	Projected surplus due to salary savings

Summary Table by Agency: Public Safety

Agency	Adopted Budget	Revised Budget	Year End Projection	Difference	Comments
Fire	63,742,785	63,807,798	65,403,416	1,595,618	<p>Fire is projected to be over budget \$1.6m.</p> <ul style="list-style-type: none"> • Permanent salaries are anticipated to be under budget \$2.2m. • Overtime is anticipated to be over budget \$2.9m primarily due to minimum staffing • The current level of absences has been running 10 per day versus 8 at the end of 2021. • Retiree sick leave payouts are contributing to the deficit and is anticipated to be \$900,000.
Police	83,995,148	84,040,594	82,508,252	(1,532,342)	<p>Police is projected to be under budget approximately \$1.5m.</p> <ul style="list-style-type: none"> • The primary factor contributing to the surplus is salary savings of \$1.9m. • There have been 25 commissioned retirements and resignations year-to-date. At the time the projection was completed overtime was projected to be over budget \$72,000.
Independent Monitor	461,884	467,704	228,814	(238,890)	<p>Projection assumes the Independent Monitor position will be filled in October and staff positions filled in December.</p>

NON-GENERAL FUND PROJECTION HIGHLIGHTS

- **Fleet Services:** projecting additional \$500k in revenue from vehicle sales. In addition, projecting a \$590k deficit in supplies due to increases in tire, fuel, and equipment costs, and a \$817k deficit in purchased services due to higher vehicle repair, maintenance, and utility costs.
- **Golf Courses:** projecting additional \$325k in revenue from fee-based services
- **Parking Utility:** projecting additional \$2.9m in Charge and Permit revenues. Combined with expenditure savings, Parking is estimated to need \$1.1m in Parking reserves compared to \$6.2m originally budgeted.
- **Public Health** is projected to be over budget \$138,000. The department anticipated needing \$700,000 from fund balance to cover unbudgeted, unreimbursed limited term pandemic employees but salary savings from vacancies should cover most of the deficit.
- **Sewer:** projecting revenues to be \$300k higher than budget, due to rate increase
- **Water:** projecting revenues to be \$2 million higher than budget, not including rate increases



MIDYEAR RESOLUTION



ADJUSTMENTS TO AGENCY BUDGETS

1. Transferring centrally budgeted funds to agencies for carry forward encumbrances
 - **\$535,331** in expenses from multiple agencies associated with contracts that span multiple years
 - \$233,568 was budgeted in direct appropriations for these encumbrances
 - The remaining \$301,763 will be transferred from the general and library fund balance
2. Transferring from the General Fund to Fleet Services for Purchase Services and Supplies
 - Fleet services is anticipating a deficit of \$1.4 million due to increasing costs for fuel, supplies, equipment, and services, largely driven by inflation
 - \$1.4 million will be transferred from the general fund balance to cover costs

Total Transfer out of General and Library Fund Balance: \$1.7m
Remaining Expenditure Restraint Program (ERP) Capacity: \$3.2m

INTRA-AGENCY TRANSFERS

General Fund

- **Common Council:** transfer \$14,000 from personnel to supplies (\$8,000) and purchased services (\$6,000).
- **Department of Civil Rights (DCR):** transfer \$7,000 from salaries to supplies
- **Transportation:** transfer \$17,500 from salaries to supplies (\$3,000) and purchased services (\$14,500)

Grant Fund

- **Police Department (MPD):** transfer \$15,000 from purchased services to salaries and benefits in the grant fund for the Wisconsin Department of Transportation (WDOT) Pedestrian/ Bicycle Safety Enforcement grant.

INTRA-AGENCY TRANSFERS: OTHER FUNDS

- **CDA Housing Operations:** increase budget authority by \$878,110 for supplies, final cost of Connect Home Grant, Triangle Phase 2 carpet replacement; storm damage and fire related insurance deductibles, and Triangle redevelopment contract; funding will come from reserves and restricted funds, with no City funding required
- **Community Development Division:** increase budget authority in CDBG fund to reflect CDBG-CV funding granted and previously accepted by the Common Council through the federal CARES Act; increase federal revenues by \$1.8 million and increase expenses for purchased services by \$1.8 million for contracts for providers selected through 2021 homeless services RFP
- **Golf:** increase revenues from charges for service by \$375,000 (supported by trends in higher usage of fee-based services and facilities) and increase expenses for supplies (\$225,000) and purchased services (\$150,000)

CAPITAL BUDGET TRANSFERS

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 transferring 2020 GO proceeds (and receiving 2021 GO proceeds)	Projects receiving 2020 GO proceeds (and transferring 2021 GO proceeds)	Amount
Engineering	11860 - John Nolen Drive	Forster Dr. Resurfacing	\$101,734
IT	17049 - Tax System Replacement	Workstation Equip Lifecycle Management 2021	\$115,964
IT	12449 - Database Infrastructure 20	Workstation Equip Lifecycle Management 2021	\$181,521
Streets	14023 - Streets Olin Waste Drop-Off Site	2021 Streets Equipment	\$149,987
Streets	44001 - Salt Storage Barn - Badger Road	2021 Streets Equipment	\$33,617
Streets	12759 – Streets EAB 2020	Streets Tree Program	\$85,865
			Total
			\$668,688