



2024 Capital Budget: Executive Budget Overview

Finance Committee
September 11, 2023

Agenda

1. Navigating Budget Resources

- Capital Budget Web Page
- How to interpret agency budgets

2. Agency Briefings

- Schedule & Format
- Amendments

3. Executive Budget Summary

- Budget by Element and Funding Source

4. GO Debt Service

- Background
- Relationship between Capital and Operating Budgets

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/2024-budget/2024-capital-budget) (<https://www.cityofmadison.com/finance/budget/2024-budget/2024-capital-budget>) on 9/5/23.



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 2023 Adopted CIP (Graph):** Clustered bar graph that compares the total funding for the agency, by year, in the 2024 Executive CIP and the 2023 Adopted CIP
- **Description of Major Changes:** Comments on significant changes between the 2024 Executive CIP and the 2023 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

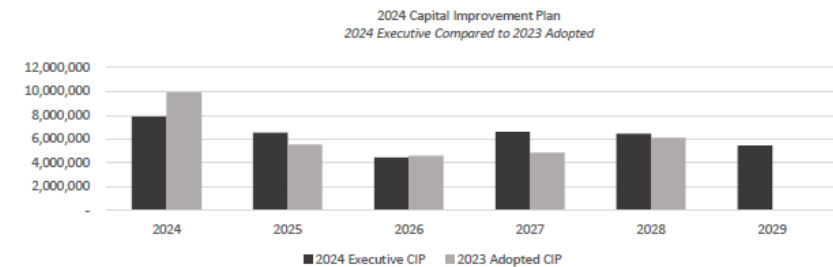
Capital Improvement Plan (CIP) Overview

Budget Phase: Executive

Summary Table

	2024	2025	2026	2027	2028	2029
Autumn Ridge Path	3,680,000	-	-	-	-	-
Badger Rusk Path	100,000	1,120,000	-	-	-	-
Bikeways Program	600,000	600,000	600,000	648,000	698,000	768,000
Capital City Path Segment 5 & 6	-	-	-	1,890,000	-	-
Hermina Street - Starkweather Creek Ped Bike Bridge	500,000	-	-	-	-	-
Sidewalk Program	3,025,000	3,700,000	3,885,000	4,075,000	4,275,000	4,700,000
West Towne Path Phase 2	-	1,122,000	-	-	1,496,000	-
	\$ 7,905,000	\$ 6,542,000	\$ 4,485,000	\$ 6,613,000	\$ 6,469,000	\$ 5,468,000

Changes from 2023 Adopted CIP



Description of Major Changes

Autumn Ridge Path

- Program budget increased by \$500,000 in GF GO Borrowing in 2024. This reflects a 15.7% increase.

Badger Rusk Path

- Funding for the City portion of the project (\$553,000) changed from GF GO Borrowing to Non-GF GO Borrowing supported by TID 51.

Bikeways Program

- No major changes compared to 2023 Adopted CIP.

Capital City Path Segment 5 & 6

- Project delayed from 2024 to 2027 due to availability of federal funding.

Components of an Agency Budget: Expenditures & Revenues

Summary of Expenditures and Revenues (1-2 pages)

- **2024 CIP by Expenditure Type:** Table with budget amounts by expenditure type (e.g. Bike Path, Building, Land, Street), by year
- **2024 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

2024 CIP by Expenditure Type

	2024	2025	2026	2027	2028	2029
Bike Path	4,880,000	2,842,000	600,000	2,538,000	2,194,000	768,000
Street	3,025,000	3,700,000	3,885,000	4,075,000	4,275,000	4,700,000
	\$ 7,905,000	\$ 6,542,000	\$ 4,485,000	\$ 6,613,000	\$ 6,469,000	\$ 5,468,000

2024 CIP by Funding Source

	2024	2025	2026	2027	2028	2029
GF GO Borrowing	7,780,000	4,407,000	4,460,000	5,454,000	6,444,000	5,443,000
Non-GF GO Borrowing	-	453,000	-	-	-	-
Federal Sources	-	1,657,000	-	1,134,000	-	-
Special Assessment	25,000	25,000	25,000	25,000	25,000	25,000
TIF Increment	100,000	-	-	-	-	-
	\$ 7,905,000	\$ 6,542,000	\$ 4,485,000	\$ 6,613,000	\$ 6,469,000	\$ 5,468,000

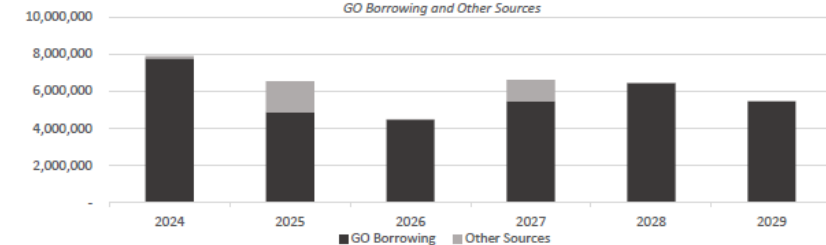
Borrowing Summary

	2024	2025	2026	2027	2028	2029
General Fund GO Borrowing	7,780,000	4,407,000	4,460,000	5,454,000	6,444,000	5,443,000
Non-General Fund GO Borrowing	-	453,000	-	-	-	-
	\$ 7,780,000	\$ 4,860,000	\$ 4,460,000	\$ 5,454,000	\$ 6,444,000	\$ 5,443,000

Annual Debt Service

	2024	2025	2026	2027	2028	2029
General Fund GO Borrowing	1,011,400	572,910	579,800	709,020	837,720	707,590
Non-General Fund GO Borrowing	-	58,890	-	-	-	-
	\$ 1,011,400	\$ 631,800	\$ 579,800	\$ 709,020	\$ 837,720	\$ 707,590

Executive Budget by Funding Source GO Borrowing and Other Sources



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 2024. Data reflects unspent funds as of July 31, 2023.
 - “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 2024

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Carryforward General Obligation Borrowing

	Unused Appropriation Authority	Reauthorized GO Borrowing
11859 AUTUMN RIDGE PATH	101,374	194,451
14143 BADGER RUSK PATH	32,000	10,000
14336 BIKEWAYS 2023	11,730	14,207
10138 BIKEWAYS PROGRAM	3,070,333	1,148,936
10142 CANNONBALL BIKE TRAIL	1,539,669	202,574
10143 CAPITAL CITY TRAIL	1,022,836	304,824
13835 CTH M	19,290	-
10160 GARVER PATH	(136,928)	-
13664 HERMINA-STARKWEATHER CRK PED BRIDGE	51,764	-
13015 MAIN STREET IMPROVEMENTS	22,175	20,000
10547 PED/BIKE INFRASTRUCTURE ENHANCEMENT	51,311	14,000
11112 SAFE ROUTES GRANTS PROGRAM	214,532	214,532
10148 SIDEWALK PROGRAM	4,198,220	1,639,649
11868 TROY DR UNDERPASS	4,617,658	1,540,679
10165 WEST TOWNE PATH	596,210	538,862
	\$ 15,412,174	\$ 5,842,714

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	Autumn Ridge Path	Project #	11859
Citywide Element	Land Use and Transportation	Project Type	Project

Project Description

This project funds the construction of 0.6 miles of new multi-use path from Milwaukee Street to Ziegler Road including a new pedestrian and bicycle overpass of State Highway 30. The goal of this project is to provide increased pedestrian and bicycle connectivity from the Capital City Path to northeast neighborhoods in the City.

	2024	2025	2026	2027	2028	2029
GF GO Borrowing	3,680,000	-	-	-	-	-
Total	\$ 3,680,000	\$ -	\$ -	\$ -	\$ -	\$ -

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.

	2024	2025	2026	2027	2028	2029
TIF Increment	100,000	-	-	-	-	-
Non-GF GO Borrowing	-	453,000	-	-	-	-
Federal Sources	-	667,000	-	-	-	-
Total	\$ 100,000	\$ 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 exiting bike paths to meet City Standards. Projects within this program are prioritized based on pavement quality rating of existing bikeways. The focus of funding in 2024 will be for path resurfacing and new paths to close gaps in the network.

	2024	2025	2026	2027	2028	2029
GF GO Borrowing	600,000	600,000	600,000	648,000	698,000	768,000
Total	\$ 600,000	\$ 600,000	\$ 600,000	\$ 648,000	\$ 698,000	\$ 768,000

Components of an Agency Budget: 2024 Appropriation

2024 Appropriation (1 page)

- Table summarizing 2024 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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2024 Appropriation Schedule

2024 Appropriation

	Request	Executive Budget		Total
		GO Borrowing	Other	
Autumn Ridge Path	3,180,000	3,680,000	-	3,680,000
Badger Rusk Path	100,000	-	100,000	100,000
Bikeways Program	600,000	600,000	-	600,000
Hermina Street - Starkweather				
Creek Ped Bike Bridge	500,000	500,000	-	500,000
Sidewalk Program	3,525,000	3,000,000	25,000	3,025,000
	\$ 7,905,000	\$ 7,780,000	\$ 125,000	\$ 7,905,000

Agency Briefings & Amendment Process

Schedule for Briefings

Monday (9/11)

- Public Spaces
 - Library
 - Monona Terrace
- PCED
 - Planning
 - CDA Redevelopment
 - Community Development
 - Economic Development
- Public Health & Safety
 - Fire
 - Public Health
 - Police
- Administration
 - Finance
 - Zoo

Tuesday (9/12)

- Administration
 - Mayor's Office
 - Information Technology
- Transportation
 - Metro
 - Parking
 - Traffic Engineering
 - Transportation
- Public Works
 - Fleet
 - Parks
 - Streets
 - Water
- Engineering
 - Bike & Ped
 - Facilities
 - Major Streets
 - Other
 - Sewer
 - Stormwater

Briefing Format

- Agencies will give a brief presentation (~5 minutes, 1-4 slides per agency) highlighting significant projects and major changes in their CIP
- Discussion and Q&A to follow each presentation

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 9/20 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 9/22 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

Detailed Timeline for FC and CC Hearings

Capital

Operating

1.	Mayor Introduces Executive Budget	<ul style="list-style-type: none"> September 5 	<ul style="list-style-type: none"> October 3
2.	Finance Committee (FC) Hearings	<i>Agencies present budget; alders have opportunity to ask questions</i>	
		<ul style="list-style-type: none"> September 11 & 12 	<ul style="list-style-type: none"> October 9 & 10
3.	FC Amendment Week	<i>Alders submit requests to budget analysts; analysts review and publish amendments</i>	
		<ul style="list-style-type: none"> September 13 – 20 Alders submit by Weds., Sept. 20 at 12pm Analysts publish by Fri., Sept 22 at 12pm 	<ul style="list-style-type: none"> October 11 – 18 Alders submit by Weds., Oct. 18 at 12pm Analysts publish by Fri., Oct 20 at 12pm
4.	FC Vote on Amendments	<ul style="list-style-type: none"> September 26 (Tues) 	<ul style="list-style-type: none"> October 23
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 30 – November 8 Alders submit by Weds., Nov. 8 at 12pm Analysts publish by Fri., Nov 10 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 14, 15, 16 	

Amendment Template

Minimum information needed to start an 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)

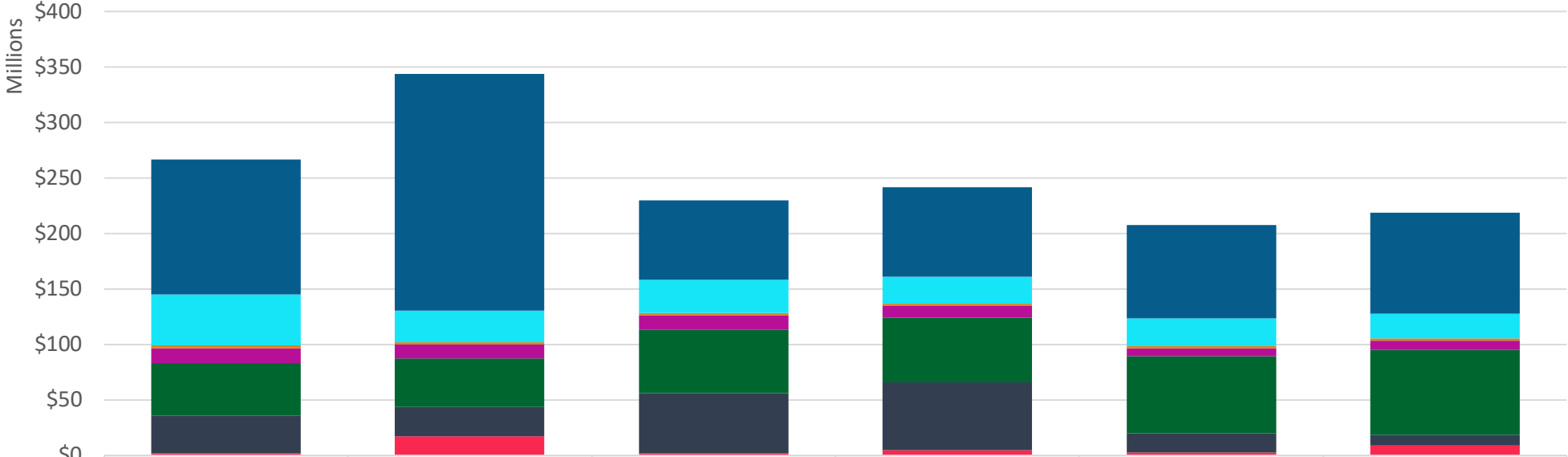
2024 Capital Budget: Finance Committee Amendments						
Agency:				Amendment #:		
Project Name:				Page #:		
Sponsor:				Project #:		
Co-Sponsor(s):						
Amendment Narrative						
<i>Brief description of what the amendment will do (e.g. add/remove funding, shift funding across years, create new project).</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

2024 Capital Budget = \$266.5 million

2024- 2029 Capital Improvement Plan = \$1.5 billion

Capital Investments by Element, by Year



	2024	2025	2026	2027	2028	2029
Land Use and Transportation	\$121,475,530	\$213,593,720	\$71,442,100	\$80,517,150	\$84,006,150	\$91,282,308
Neighborhoods and Housing	\$46,119,000	\$28,531,000	\$30,394,000	\$24,407,000	\$25,421,000	\$22,433,000
Economy and Opportunity	\$2,290,000	\$2,090,000	\$1,790,000	\$1,690,000	\$1,690,000	\$1,690,000
Culture and Character	\$13,548,450	\$12,583,100	\$12,891,500	\$10,684,500	\$7,388,750	\$8,395,250
Green and Resilient	\$47,195,750	\$43,657,500	\$57,032,000	\$58,367,000	\$69,184,000	\$76,437,450
Effective Government	\$33,719,440	\$26,702,874	\$54,739,669	\$61,436,305	\$17,703,206	\$10,273,618
Health and Safety	\$2,136,250	\$17,036,250	\$1,656,250	\$4,401,250	\$2,341,250	\$8,582,688

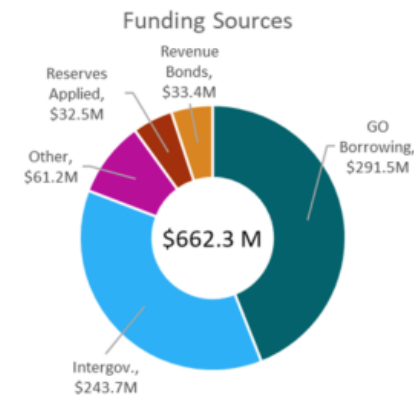
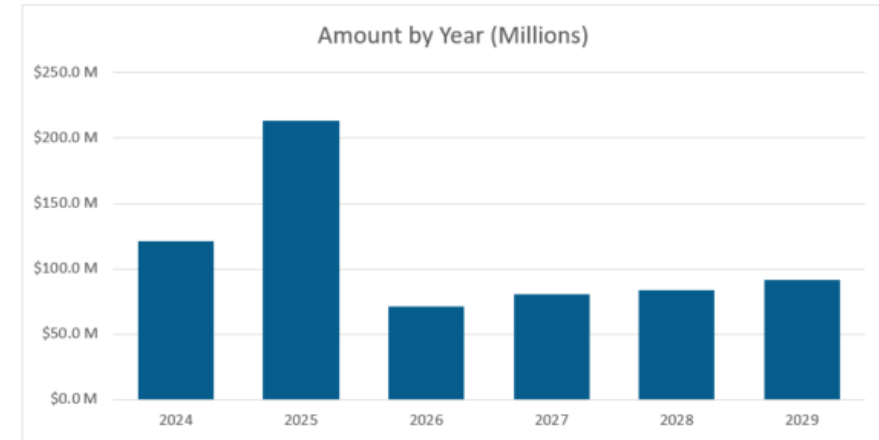
Citywide Elements

- 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 (43.9%) of spending in the CIP. Major projects include the implementation of North-South Bus Rapid Transit, State Street Garage replacement project, 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. Approximately half (47.9%) of the \$662.3 million budgeted over 6 years is from GO borrowing. The next largest share of funding is from intergovernmental sources (36.8%), representing large federal grants for transit and infrastructure.

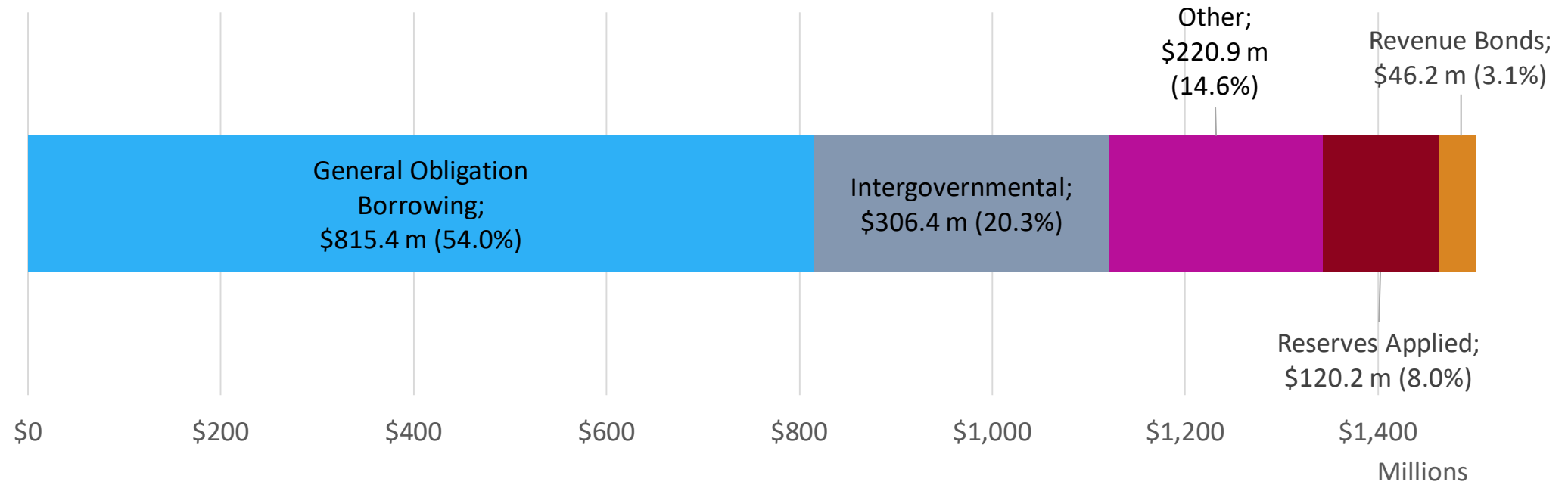


Project & Program Highlights (All Funds)

- **2024 - 2029:** Pavement Management (\$128.6m); Reconstruction Streets (\$119.7m); Metro Electric Buses and Charging Equipment (\$103.4m) Sidewalk Program (\$23.7m)
- **2024:** State St Campus Garage Replacement (\$12.5m); Metro Satellite Bus Facility (\$11.0m);
- **2024-2025:** North-South Bus Rapid Transit (N-S BRT) (\$143.7m)
- **2025-2029:** John Nolen Drive (\$19.8m)
- **2026:** Mineral Point Road (\$5.1m)

GO Borrowing is the Primary Funding Source for the CIP

Funding Sources for the 6- Year CIP (2024 - 2029)



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 2023 capital budget will begin in the 2024 budget).

Debt Service in the Operating Budget

Operating Budget by Function

General & Library Funds

Budget by Function-General & Library Funds

	2022 Adopted	2023 Adopted	Change	% Change
Administration	27,338,575	27,742,871	404,296	1.48%
➔ Debt Service	56,108,323	61,587,222	5,478,899	9.76%
General Government	2,356,537	2,717,556	361,019	15.32%
Misc & Dir Approp to Cap	9,155,216	15,834,346	6,679,130	72.95%
Planning & Development	25,750,553	30,474,418	4,723,865	18.34%
Public Facilities	19,066,904	19,770,825	703,921	3.69%
Public Safety & Health	155,688,887	165,144,960	9,456,073	6.07%
Public Works	46,767,068	47,808,168	1,041,099	2.23%
Transportation	18,088,965	11,249,564	(6,839,401)	-37.81%
TOTAL	360,321,028	382,329,929	22,008,901	6.11%

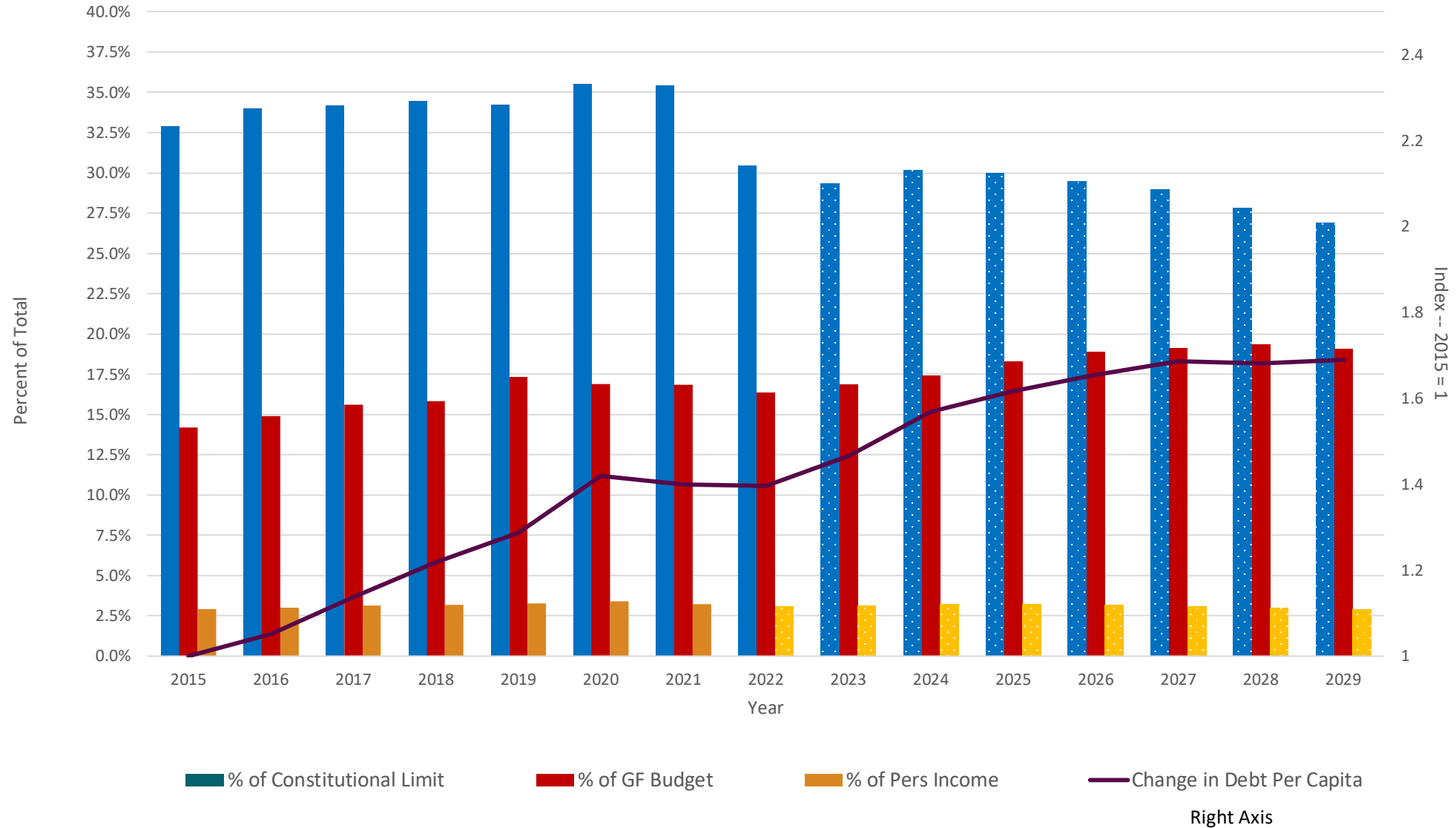
Limits on the Capital Budget and Debt

- State Constitution – general obligation debt outstanding cannot exceed 5% of the City’s equalized property value.
- General Fund Debt Service – compare debt service to overall share of the operating budget. Assuming a maximum “burden” from property taxes, more debt could mean less ability to fund day-to-day operations.
- Debt per capita – another possible measure of “burden”
- Debt as a share of personal income – income could grow faster or slower than population.

City's Debt Profile through Different Lenses

Share of Constitutional Limit, Share of Budget, Per Capita

2024 Executive Capital Improvement Plan



Debt Service and State Levy Limits

- State law places a limit on increases in the City's property tax levy (known as a "levy limit").
- Under levy limits, the City can increase its property tax levy, *excluding general obligation debt service*, over the prior year by the City's Net New Construction percentage (the value of net new construction divided by the City's total property value).

Capital Budget and Levy Limits

- A reduction in amounts borrowed (due to fewer capital projects) does not increase the maximum allowable levy for operations.
- A reduction in amounts borrowed does reduce overall property taxes levied and associated taxes on the average value home (assumes no other changes).
- Cost of capital investments needs to be considered with other factors, including cost of not replacing aging infrastructure, environmental and social policy goals, and fostering sustainable economic growth.

	Actual	\$50m less GF-Supported Borrowing in Prior Year	Difference
Levy Adjusted for Net New Construction and Other Factors	165,697,745	165,697,745	-
Other Funds - Supported GO Debt Service	<u>46,399,391</u>	<u>46,399,391</u>	<u>-</u>
"Operating" Levy	212,097,136	212,097,136	-
General Fund -Supported Debt Service	<u>61,587,222</u>	<u>55,087,222</u>	<u>(6,500,000)</u>
Total Allowable Levy	273,684,358	267,184,358	(6,500,000)
Taxes on Average Value Home	2,907	2,838	(69)