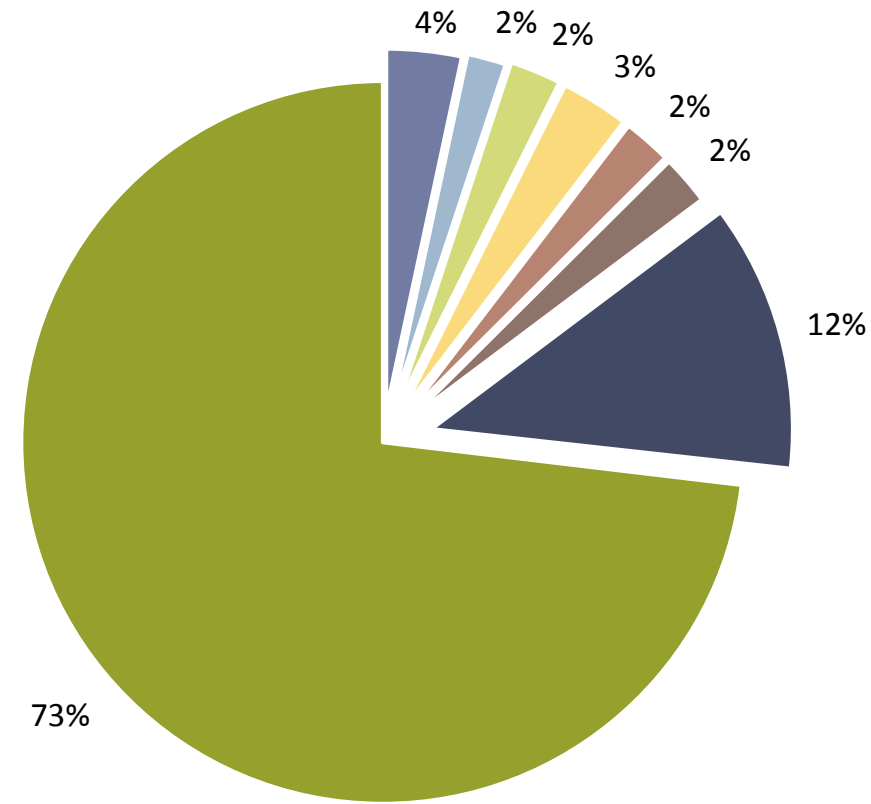
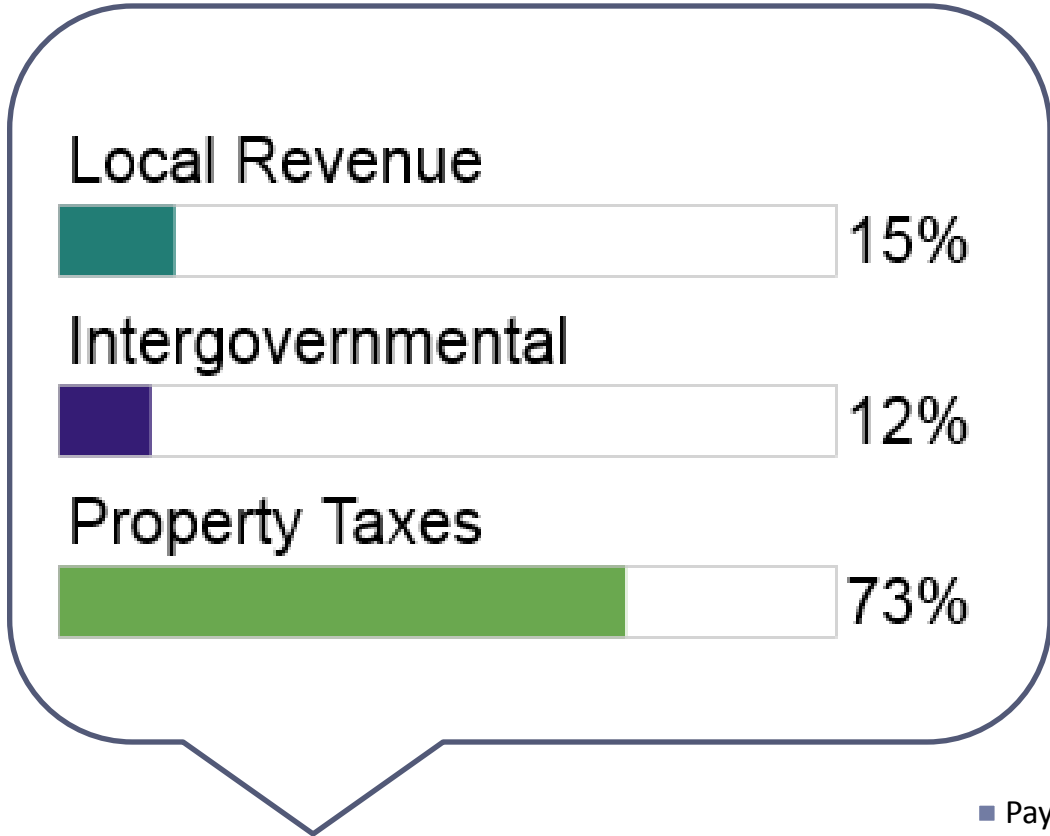


2017 Executive Operating Budget

City of Madison
BOE Budget Hearings
October 2016



Where the Money Comes From

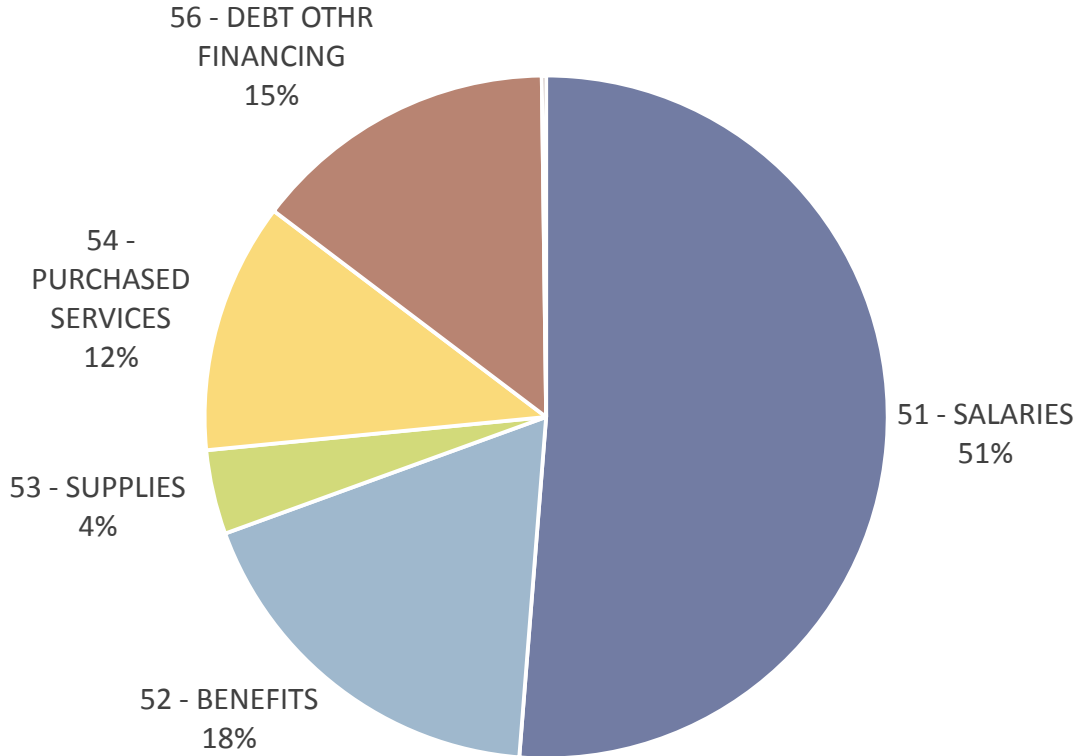


- Payments in Lieu of Tax
- Other Local Taxes
- Fines and Forfeitures
- Charges for Services
- Licenses and Permits
- Ungrouped Revenues
- Intergovernmental Payments
- Fund Balance Applied
- Property Taxes

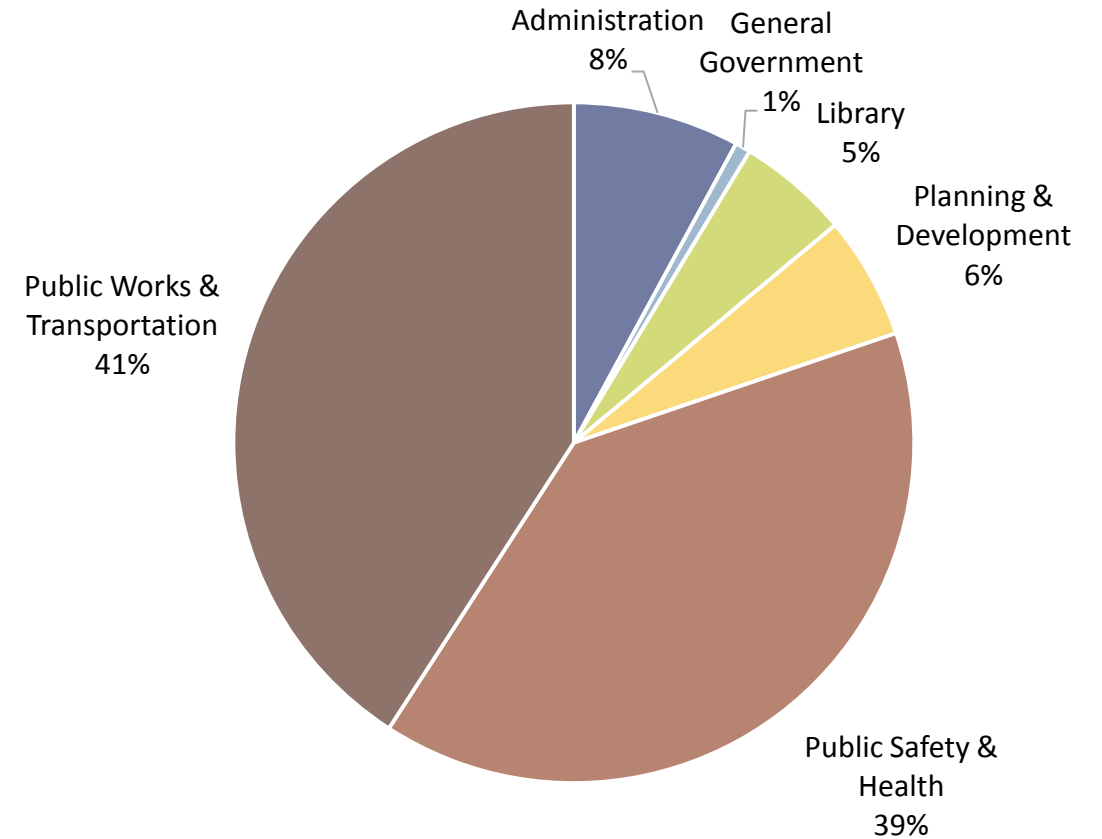
How the Money is Spent:

Expenditures & Positions

EXPENDITURES BY MAJOR (GF ONLY)



POSITIONS BY FUNCTION (GF ONLY)



Presenting the Budget

Agency Chapters presented in 5 sections

1. Agency Overview
2. Budget Overview
3. Service Overview
4. Position Detail
5. Line Item Detail

Future budgets will emphasize service budgets & the funding level for specific activities

CITY OF MADISON

2017 Operating Budget

Executive Budget



Presented October 2016
Mayor Paul Soglin

Budget Overview

2016 Adopted	24,982,520
Adjustments with No Service Impact	
2017 Pay Increase	234,277
Increase in Salaries due to change in allocating staff time to Capital and Stormwater Utility	218,870
Increase in Retirement Costs based on 2017 WRS rates	(42,293)
Adjustment to Health Insurance based on 2017 rates	(174,452)
Change in allocation of Worker's Compensation & Insurance costs	21,762
Decrease in Fringe	(48,198)
Change in allocation of Fleet charges	1,241,734
Reduction in budgeted general plow snow events from 7 to 5.5	(500,017)
Removal of one-time funding for stump grubbing mats	(32,000)
Decrease in tool allowance	
Increase in Urban Forestry Fee to reflect 2017 rate	
2017 Executive Budget	

Change tables show the how we got from 2016 to 2017 broken by service impact

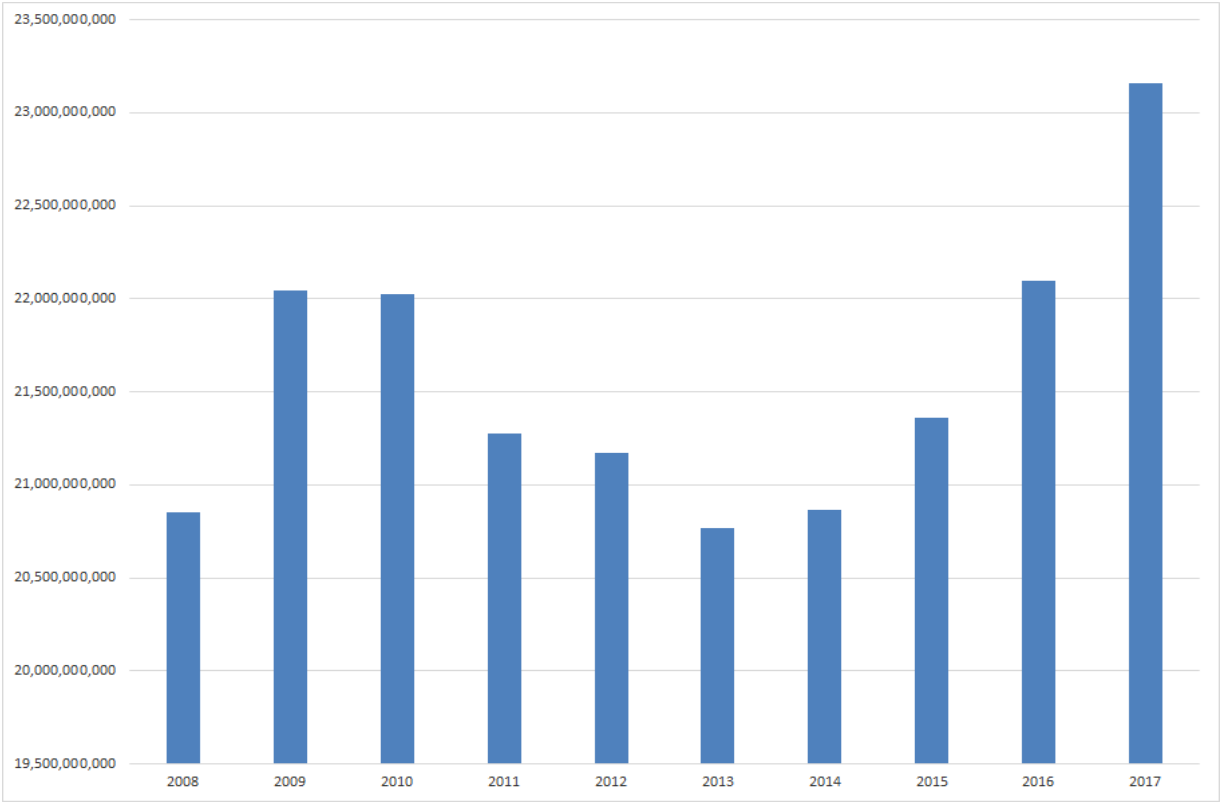
Presenting budget by fund distinguishes GF expenditures from grant & restricted activities

Budget by Fund & Major					
Fund: General	2015 Actual	2016 Adopted	2016 Projected	2017 Request	2017 Executive
Revenue	(1,729,734)	(1,381,249)	(1,276,567)	(1,505,617)	(1,145,617)
Salaries	44,889,503	45,280,393	46,221,495	46,396,839	47,258,918
Benefits	16,220,462	15,711,117	16,070,024	15,460,305	15,615,671
Supplies	1,188,872	1,271,331	1,345,154	1,421,350	1,421,350
Purchased Services	2,054,630	2,136,580	2,129,336	2,228,730	2,228,730
Inter Depart Charges	3,686,987	4,061,983	4,057,950	4,051,726	4,051,726
Inter Depart Billing	-	(10,000)	-	-	-
Transfer Out	23,015	442,050	300,050	449,409	449,409
TOTAL	\$ 66,333,735	\$ 67,512,205	\$ 68,847,442	\$ 68,502,742	\$ 69,880,187
Fund: Other Grants	2015 Actual	2016 Adopted	2016 Projected	2017 Request	2017 Executive
Revenue	(23,015)	(1,016,253)	(1,016,253)	(2,379,170)	(2,349,405)
Salaries	-	573,425	573,425	1,017,747	992,747
Benefits	-	129,711	129,711	236,220	231,455
Supplies	-	91,470	91,470	273,476	273,476
Purchased Services	-	221,647	221,647	851,727	851,727
Debt Other Financing	23,015	-	-	-	-
TOTAL	\$ 0	\$ -	\$ -	\$ -	\$ -

Assessed Property Values

Values -- 2008 to 2017
Four Consecutive Years of Growth

change from 2015



Residential:	up 4.48%
Commercial:	up 5.97%
Agricultural:	up 8.61%
Manufacturing:	up 6.24%
Personal Property:	up 3.29%
TIF Increment Value (deduction):	up 6.25%
Net Taxable Property:	up 4.85%
Average Value Home:	up 3.58%

[The City Assessor has provided updated assessed value estimates since introduction of the executive operating budget.]

Spending and Levy Increase

Change from 2016	\$	%
Expenditures	\$10.0 million	3.44%
Revenues	\$0.5 million	0.6%
Fund Balance Applied	\$0.4 million	N/A
Levy	\$9.1 million	4.3%

Tax Rate (Mill Rate)

Tax rate = Levy divided by Assessed Value

\$218,978,808 divided by \$23,159,269,350 =
0.094554%

or

9.455 per \$1,000 of value
(down 0.45% from 2016)

[The City Assessor has provided updated assessed value estimates since introduction of the executive operating budget.]

Taxes on Average Value Home

Average value home = \$254,693 (up 3.6%)

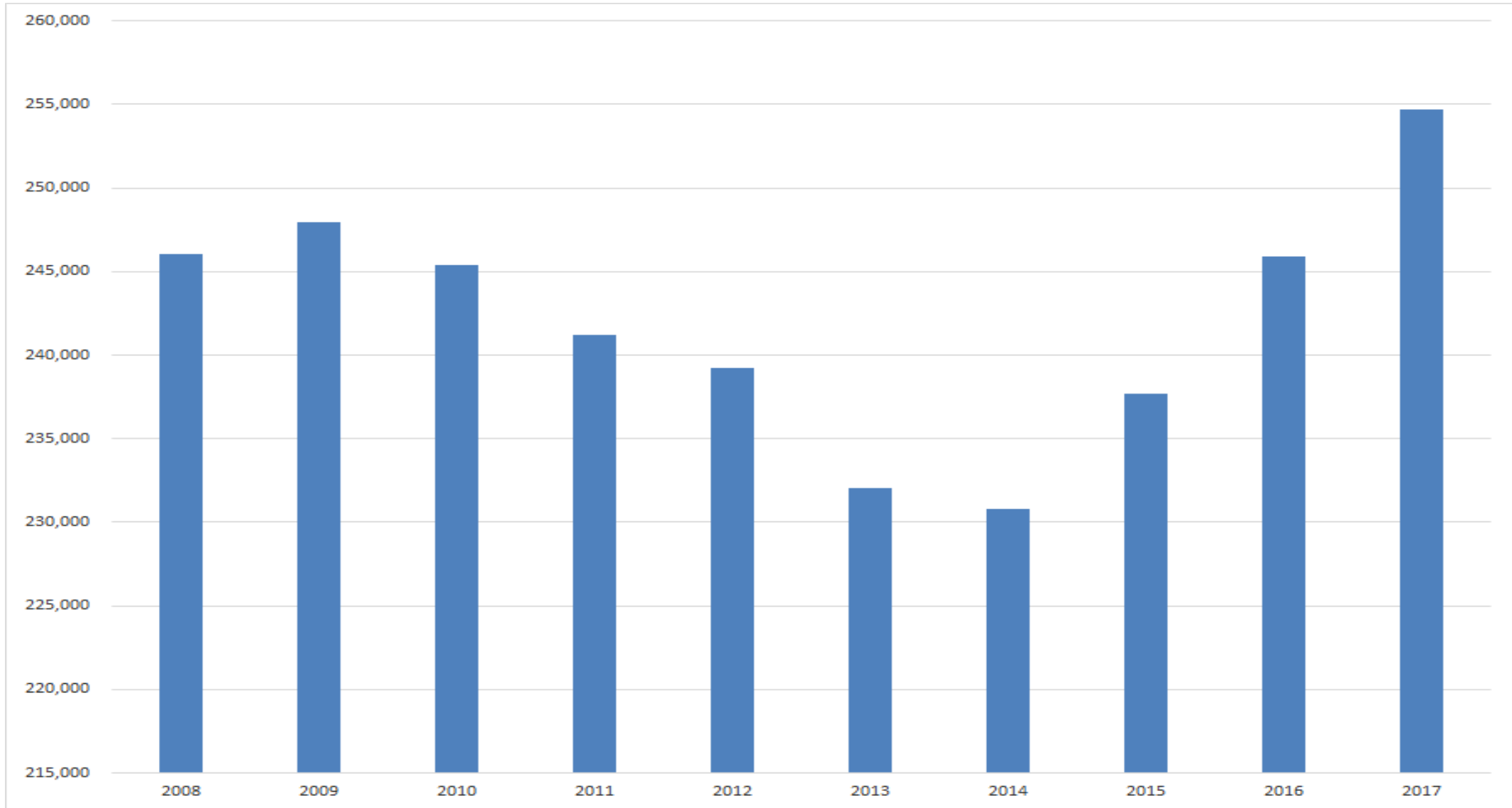
Tax rate multiplied by value = taxes on average value home

0.094554% multiplied by \$254,693 = **\$2,408**

\$73 / 3.1% increase from 2016

[The City Assessor has provided updated assessed value estimates since introduction of the executive operating budget.]

Average Value Home above 2009 High Point



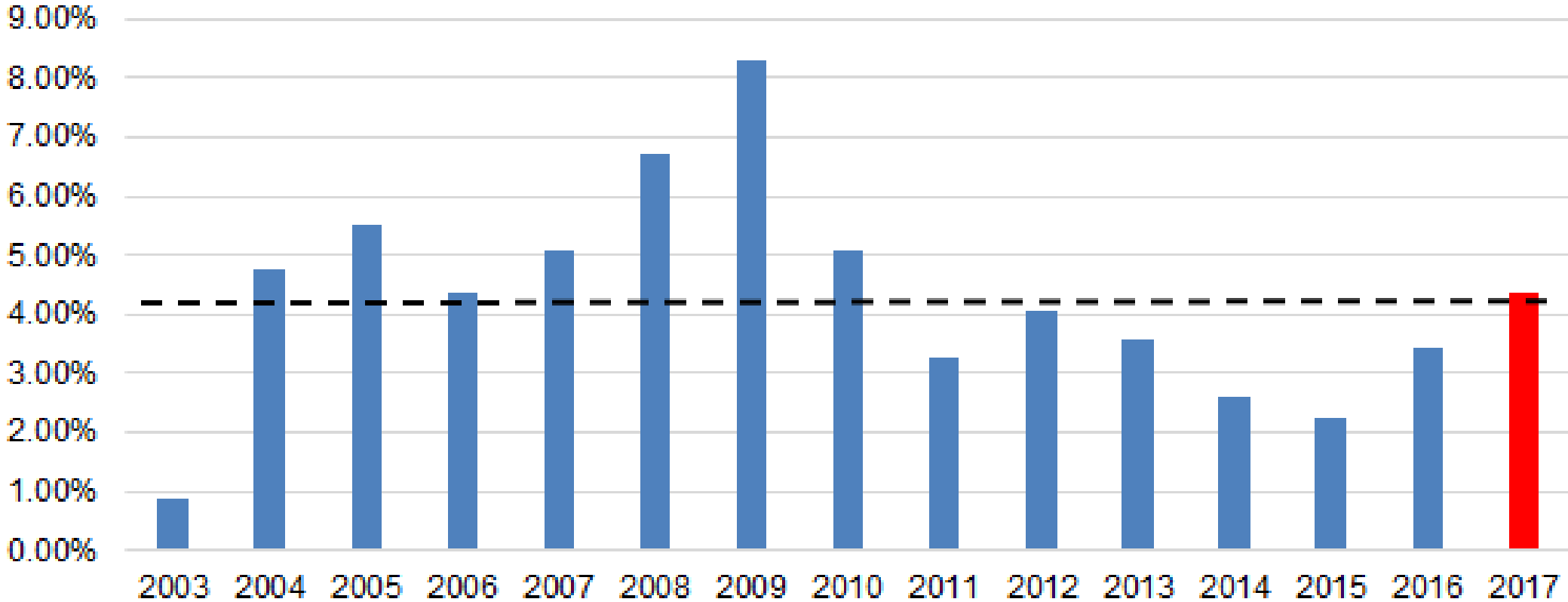
Levy Limit Calculation

	<u>2017</u>
2015/2016 Actual Levy	\$ 209,856,541
2015/2016 Levy for New General Obligation Debt Authorized After 7/1/2005	\$ (72,791,662)
2015/2016 Levy excluding General Obligation Debt Service	\$ 137,064,879
Net New Construction and Closed TID Percentage 2.159%	\$ 2,959,231
2016/2017 Levy Limit Prior to Adjustments	\$ 140,024,110
Debt Service for GO Debt Authorized After July 1, 2005	78,488,644
Adjustments for Current Year Annexations	-
Prior Year Unused Allowable Levy (up to 1.5%)	987,457
City Share of Refunded or Rescinded Taxes certified under s. 74.41 (5)	<u>576,841</u>
Allowable Levy	\$ 220,077,052
Actual Levy	<u>218,978,808</u>
Additional Levy Capacity / Carry Over to 2018	\$ <u>1,098,244</u>

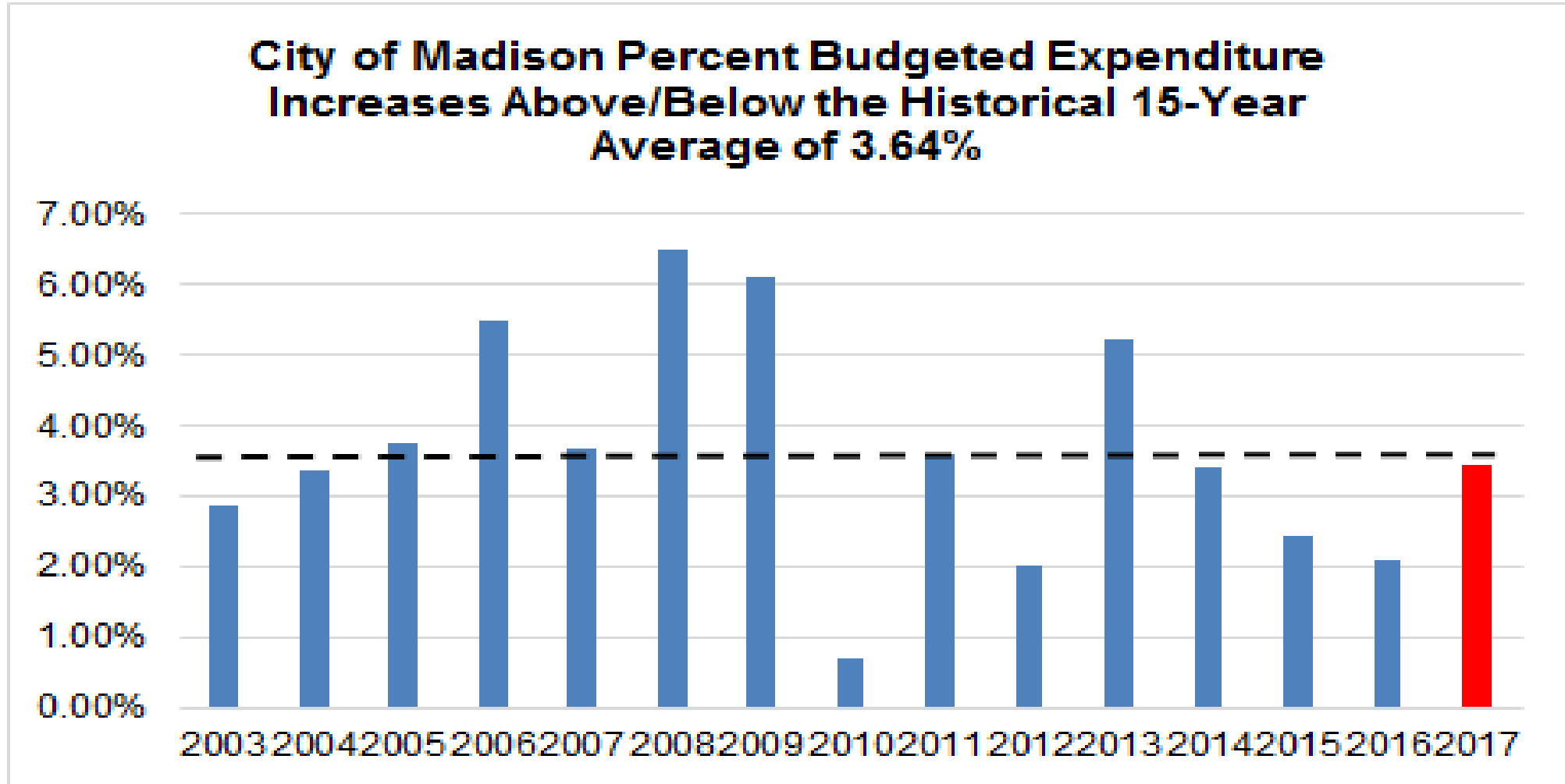
Revised by +\$64,164 since introduction of executive budget.

Historical Levy Increases

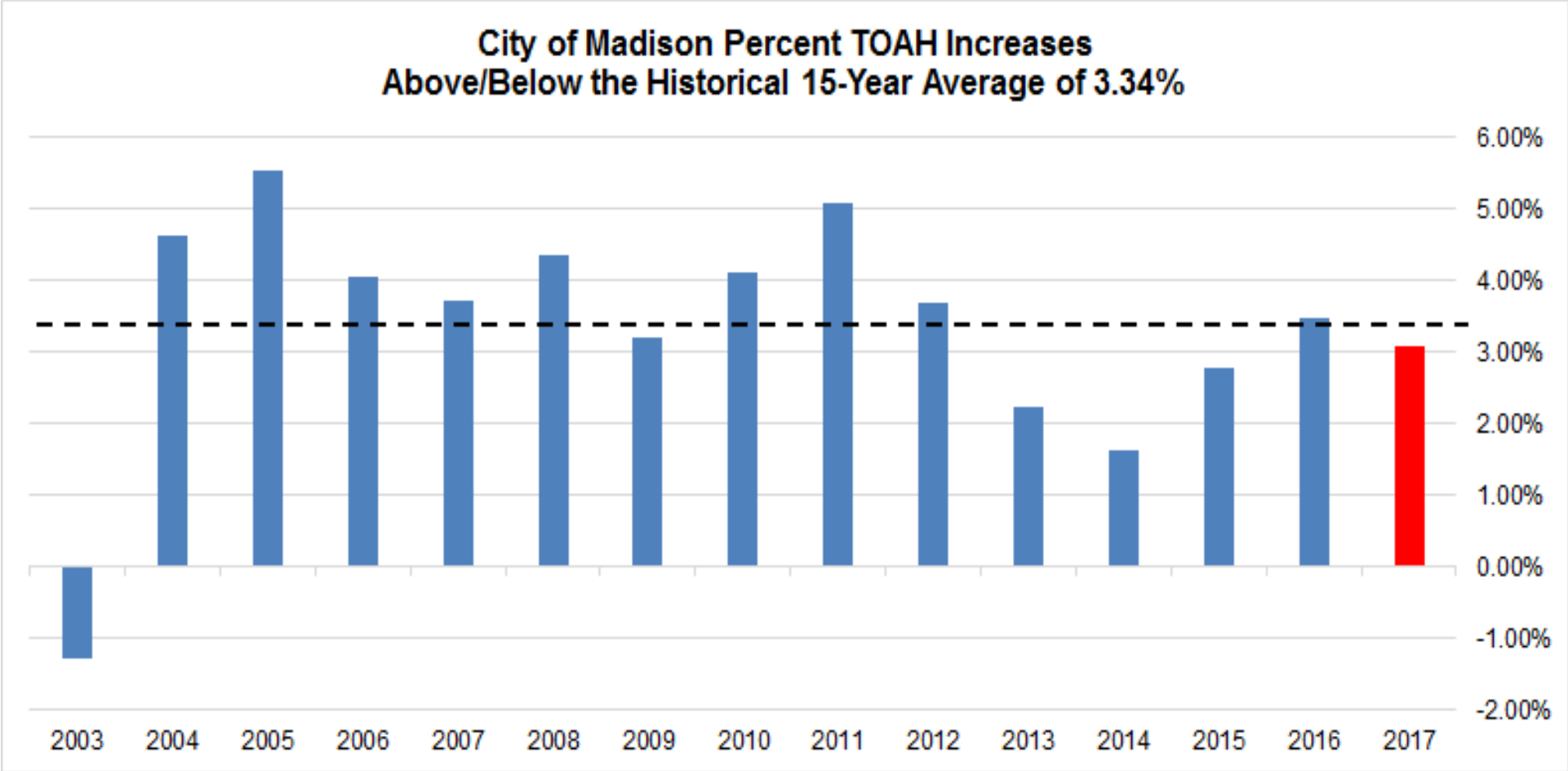
**City of Madison Percent Levy Increases
Above/Below the Historical 15-Year Average of 4.28%**



Historical Spending Increases



Historical Taxes on Average Value Home



Key Revenue Changes

- Room tax -- 70% to tourism-related activities starting in 2017; reduces City share by \$916,000 compared to 2016.
- Room Tax Commission Action:
 - Increase Overture Center subsidy from \$1.75 million to \$1.9 million
 - Use \$598,000 of Monona Terrace reserves for operations.
 - Allocate \$642,352 from room taxes to offset levy support for Olbrich Gardens and the Zoo.
 - Net General Fund reduction compared with 2016 = \$195,000
 - Assumes 7.5% increase in room taxes in 2017 compared to 2016 projections.

Balancing the Budget

• Property Taxes	\$9.1 million
• Room Tax to General Fund	-0.9 million
• Ambulance Fee (rate increase and reestimates)	0.5 million
• Fund Balance Applied	0.4 million
• State Aid (computer aid)	1.0 million
• Other Revenues	<u>-0.1 million</u>
	\$10.0 million
• Expenditures	<u>-\$11.9 million</u>
	-\$1.9 million
• General Fund Spending Offsets:	
– Urban Forestry Charge (<i>reduces net Parks and Streets spending</i>)	\$1.3 million
– Zoo and Olbrich to Room Tax (<i>reduces Parks/Misc. spending</i>)	<u>0.6 million</u>
	\$1.9 million

Key Revenue Changes

- Urban Forestry Special Charge
 - All forestry costs in Parks and Streets to be allocated.
 - Increase in annual residential charge from current \$33 to \$50.
 - General Fund benefit = \$1.3 million
- Metro Transit Fund Balance / City Levy Subsidy
 - \$1 million reduction in salaries to better match budget with actual.
 - \$600,000 reduction in property tax subsidy
 - Various measures (2017 budget; 2016 year-end appropriation) will reduce City subsidy and reduce Metro reserves to \$2 million by end of 2017.

Key Revenue Changes

- Ambulance Fee
 - Increase fee from \$1,000 to \$1,050
 - Helps offset the cost of Street Teams funded from the General Fund.
 - Increases revenue by \$175,000
- Fund Balance Applied
 - \$400,000 from fund balance
 - Reflects possible lapse / encumbrance of Police Policy Study funding.

Expenditure Increases

Long-Range Forecast Scenario

(assumes use of all levy limit authority; 2/3rds of CIP borrowed in 2017 and 2018)

