

Direct Appropriations

Agency Overview

Agency Overview

This Agency includes funding for various benefits that are not included in the individual agency budgets. These include Compensated Absence Escrow (sick leave payouts), Flexible Spending, Unemployment Insurance, Life Insurance, and the Bus Pass Subsidy. The Agency also includes funding for various costs that are not readily identifiable with a single agency, including the Contingent Reserve.

2023 Budget Highlights

Service: Direct Appropriations

- Increases the General Fund debt service payment to reflect actual 2023 debt service payments (Increase: \$5.5 million).
- Increases the Contingent Reserve to maintain 0.5% of budgeted expenditures in accordance with City policy. Funding budgeted here may be reallocated to various agencies throughout the year to fund unanticipated expenses or revenue shortfalls. Use of these funds requires Common Council approval. (Increase: \$85,000)
- Employee Pay
 - Includes an anticipated cost of living adjustment (COLA) pay increase for Police and Fire supervisor bargaining groups for 2022 - 2024 contracts not settled by the time the budget was adopted (\$243,000). Funding of \$93,068 was added for 2022 retroactive pay, to be disbursed in 2023, via Finance Committee amendment #3.
 - Includes COLAs for overtime, premium pay, and hourly wages that will be allocated to agencies as needed (\$382,431).
 - The executive budget included a 3% COLA for general municipal employees (GMEs). This included a 2% COLA increase, which is equal to an increase received by Police and Fire commissioned staff through collective bargaining (General Fund: \$1.7 million; Other Funds: \$1.2 million).¹ There was an additional 1% increase for GMEs to address a wage parity gap between GMEs and protective service employees (General Fund: \$850,000; Other Funds: \$589,900).²
 - The schedule of the wage parity “catch up” increases for GMEs was updated via Finance Committee amendment #22. The amendment 1) delayed the 1% increase to begin mid-year (effective July 9, 2023) and increased the amount from 1% to 2% (net neutral change), 2) added an additional 1% wage parity increase for the last two months of the year (effective October 29, 2023), and 3) offset the costs in the general fund by delaying hiring for new positions. In total, the GME wage parity increase is 3% instead of the 1% proposed in the executive budget (General and Library funds \$119,865; Other funds \$83,296).
 - The schedule for delaying new positions was updated via Common Council amendment #7 by reducing the delay for the Fire Emergency Management coordinator from 5.5 months to 3 months and increasing the delay for the Fire Protection Engineering from 3 months to 5.5 months. See table on following page for final schedule of position delays. (Increased savings: \$1,145)
 - The Executive Budget included a placeholder for the GME COLAs in Direct Appropriations. In the Adopted Budget, these costs have been allocated to agency budgets.
 - Includes a \$1,000 bonus per employee anticipated to be paid by the end of February 2023. The payment is funded from a surplus in the Premium Stabilization Fund (PSF) for the city’s life insurance and long- / short-term disability insurance programs. The balance in the PSF has increased nearly three-fold since 2018 due to

¹ RES-21-00638, adopted on September 21, 2021, requires that GMEs receive an increase equal to increases received by Police and Fire commissioned staff through collective bargaining. In 2022, a 2% COLA was adopted for Police and Fire commissioned staff. The executive budget reflected this by including a 2% COLA for GMEs.

² GMEs are 6% behind protective service employees when comparing the total percentage of wage increases over the past several years. The 1% increase in the executive budget was proposed to begin closing the gap.

premiums exceeding claims. The proposed withdrawal to pay for the \$1,000 payment to permanent full- and part-time employees will reduce the balance by about 50%. The remaining balance will slightly exceed the recommended level of 75% of annual premiums. Premiums are guaranteed to remain at the current level for at least the next two years. (Increase: \$3.4 million)

Final Schedule of position delays adopted via Finance Committee Amendment #22 and Common Council Amendment #7 to address wage parity			
Agency – Position	Annualized Salary	# of months vacant	Savings
Engineering – Maintenance Mechanic	\$86,462	3	\$21,616
Fire – Emergency Management Coordinator	\$102,500	3	\$25,625
Fire – Fire Protection Engineer	\$108,000	5.5	\$49,500
Parks – Program Coordinator (Parks Alive)	\$80,000	1	\$6,667
Police – Program Assistant (Records)	\$73,617	3	\$18,404
Total			\$121,811

- Adds one-time funding for a compensation study to evaluate the city's compensation policies and procedures, including market and peer government comparisons, position reclassification, benefit structure, and administrative review processes. The study will be conducted with input and consultation with labor unions and associations. (Increase: \$350,000)
- Increases Compensated Absence Escrow to reflect current trends. (Increase: \$750,000)
- Adds a transfer to the Affordable Housing fund for debt service payments in 2022 and 2023. GO debt issued for the Affordable Housing fund in 2021 does not have an on-going revenue source to support the debt service. This transfer will cover the first two years of debt service payments. Debt service for GO debt issued after 2021 has been General Fund-supported. (Increase: \$1.1 million)
- Includes \$1.1 million for capital projects funded by a Direct Appropriation from the General Fund. These projects are outlined in the Adopted Capital Budget. (Increase \$270,000)
- Adds a transfer from the General Fund to the Insurance Fund which experienced high levels of claim payouts in 2022 due primarily to various legal settlements and associated legal counsel costs; this supplement will help address the cash balance in the fund. (Increase \$1.5 million)
- Makes a one-time reduction of \$7.7 million in Metro's General Fund subsidy (from \$9.7 million to \$2.0 million) with Metro utilizing its remaining federal economic recovery funds in 2023. This reduction will be restored in the 2024 budget, along with the first year of a three year repayment of the one-time reduction. Estimated 2024 subsidy is \$14 million. (Decrease: \$7.7m)
- Increases the transfer to the Public Health to fund:
 - The expansion of Sexual and Reproductive Health services authorized in 2022. The expansion includes seven full-time positions, including a Public Health Supervisor, a Nurse Practitioner, three Public Health Nurses, a Public Health Aide, a Clerk, and supplies for a total of \$799,365 in personnel costs and \$298,072 in supplies in 2023. The 2023 costs are included in the City and County adopted budgets. The City's share in 2023 is \$475,600.
 - 2.0 FTE Patient Navigator positions and related supplies and services via Finance Committee amendment #19. The funding is based on the equalized values per the Intergovernmental Agreement (City: \$104,332 and County: \$133,268). Dane County included funding for the two positions in its adopted budget. The positions will be focused on prenatal care coordination within the Sexual and Reproductive Health Care program. The amendment funds the cost for the positions (\$225,398) and miscellaneous supplies and services (\$12,202).
 - \$28,778 in salaries and benefits for a 0.35 FTE Environmental Health Specialist in the Public Health budget via Finance Committee amendment #18. The Dane County adopted budget includes an \$186,000 PFAS initiative to be housed in Public Health. The funding will be used to create a testing program. The County funding also supports the creation of a 0.65 FTE (\$53,445) Environmental Health Specialist. The City's amendment increases the position to 1.0 FTE.

Direct Appropriations

Function: Administration

Budget Overview

Agency Budget by Fund

Fund	2021 Actual	2022 Adopted	2022 Projected	2023 Request	2023 Executive	2023 Adopted
General	58,256,934	65,263,539	60,744,073	75,559,774	81,475,844	77,421,568
Total	\$ 58,256,934	\$ 65,263,539	\$ 60,744,073	\$ 75,559,774	\$ 81,475,844	\$ 77,421,568

Agency Budget by Service

Service	2021 Actual	2022 Adopted	2022 Projected	2023 Request	2023 Executive	2023 Adopted
Direct Appropriations	58,256,934	65,263,539	60,744,073	75,559,774	81,475,844	77,421,568
	\$ 58,256,934	\$ 65,263,539	\$ 60,744,073	\$ 75,559,774	\$ 81,475,844	\$ 77,421,568

Agency Budget by Major-Revenue

Major Revenue	2021 Actual	2022 Adopted	2022 Projected	2023 Request	2023 Executive	2023 Adopted
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Agency Budget by Major-Expense

Major Expense	2021 Actual	2022 Adopted	2022 Projected	2023 Request	2023 Executive	2023 Adopted
Salaries	27,511	727,126	912,125	3,922,300	8,172,300	4,118,024
Benefits	407,152	3,631,226	446,488	6,131,226	4,381,226	4,381,226
Supplies	(3,659)	-	9,878	-	-	-
Purchased Services	1,097,966	2,215,895	2,501,290	1,813,425	1,793,596	1,793,596
Debt Othr Financing	-	1,815,000	-	1,815,000	1,900,000	1,900,000
Inter Depart Billing	(119,860)	(124,031)	(124,031)	(120,500)	(120,500)	(120,500)
Transfer Out	56,847,824	56,998,323	56,998,323	61,998,323	65,349,222	65,349,222
Total	\$ 58,256,934	\$ 65,263,539	\$ 60,744,073	\$ 75,559,774	\$ 81,475,844	\$ 77,421,568

Direct Appropriations

Function:

Administration

Service Overview

Service: Direct Appropriations

Service Description

This service provides funding for activities that do not relate to any specific agency or service. Highlights of what is included here are outlined below.

	2022 Adopted	2023 Adopted	\$ Change
Misc Employee Compensation			
Compensation	727,126	4,118,024	3,390,898
Compensated Absence Escrow	3,250,000	4,000,000	750,000
Flexible Spending	35,600	35,600	-
Unemployment	150,000	150,000	-
Life Insurance	45,626	45,626	-
Bus Pass Subsidy	150,000	150,000	-
Citywide Expenses			
City Memberships	103,157	103,157	-
Compensation Study	-	350,000	350,000
Cost Allocation Charges	(124,031)	(120,500)	3,531
Federal Liaison	40,000	37,000	(3,000)
Henry Vilas Zoo	840,000	588,548	(251,452)
Legal Services	100,000	100,000	-
License Suspension	55,000	55,000	-
Martin Luther King Awards	600	600	-
Martin Luther King Holiday	7,100	7,100	-
Prior Year Encumbrances	233,568	233,568	-
Revenue Sharing Payments	303,470	222,623	(80,847)
Special Assessments	50,000	50,000	-
State Liaison	33,000	36,000	3,000
Town of Madison Final Attachment	500,000	60,000	(440,000)
Debt Service, Capital, & Contingent Reserve			
Debt Service	56,108,324	61,587,222	5,478,898
Transfer to Affordable Housing	-	1,102,000	1,102,000
Transfer to Capital	840,000	1,110,000	270,000
Transfer to Insurance	-	1,500,000	1,500,000
Contingent Reserve	1,815,000	1,900,000	85,000
TOTAL	\$ 65,263,540	\$ 77,421,568	\$ 12,158,028

Employee Benefits & Compensation

- **Compensation:** The 2023 Adopted Budget includes a cost of living adjustment (COLA) and retroactive pay for Police and Fire supervisor bargaining groups for 2022 - 2024 contracts not settled by the time the budget was adopted, COLAs for overtime, premium pay, and hourly wages that will be allocated to agencies as needed, and funding for a \$1,000 bonus per employee anticipated to be paid by the end of February 2023.
- **Compensated Absence Escrow:** These funds are for the City's contribution for retiree health insurance when employees retire converting sick leave into health insurance coverage. General Fund costs associated with this expense are budgeted centrally and distributed to agencies in the mid-year and year-end appropriation adjustments based on actual expenditures. Actual expenditures for this benefit appear in agency budgets. This amount was increased to reflect current trends.
- **Bus Pass Subsidy:** This funding represents the City share of providing bus passes for City employees.
- **Miscellaneous Benefits:** Flexible Spending, Unemployment and Life Insurance. This amount represents miscellaneous benefit charges that are budgeted centrally. This amount was increased to reflect current trends.

Citywide Expenses

- City Memberships: Specific memberships include: Dane County Cities and Villages Association, League of Wisconsin Municipalities, LWM Urban Alliance, Mayor’s Innovation Project, National League of Cities, US Conference of Mayors, Wheeler Report, WI Coalition Against Homelessness, and the WI Diversity Procurement Network.
- Compensation Study: The 2023 Adopted Budget includes \$350,000 for a compensation study to evaluate the city's compensation policies and procedures, including market and peer government comparisons, position reclassification, benefit structure, and administrative review processes. The study will be conducted with input and consultation with labor unions and associations.
- Cost Allocation: This represents interdepartmental billings charged to enterprise agencies for building and equipment depreciation. The 2023 amounts are based on the update to the cost allocation plan that was performed in 2022.
- Federal & State Liaisons: These funds support contracts with firms that represent the City’s legislative interests at the state and federal levels.
- Henry Vilas Zoo: These funds are for the City’s share of costs at the Henry Vilas Zoo. The annual amount is driven by a formula that shares costs between the City and Dane County. The change in 2023 is driven by an increase in 2023 operating costs (\$65,900) and a reduction in City cost due to Room Tax funding (\$317,352).
- Legal Services: These funds are for legal services for the Police and Fire Commission and for appraisal consulting services for the Assessor’s Office.
- License Suspension: The City pays fees to the Wisconsin Department of Transportation to suspend licenses as a method to collect on delinquent accounts.
- Martin Luther King Awards: The Rev. Dr. Martin Luther King Jr. Humanitarian Award is presented annually to the person or persons who have demonstrated leadership and volunteerism while making significant contributions in the areas of: promoting peace, understanding, and improving communication and cooperation between diverse populations in Dane County. The award process is overseen by the Department of Civil Rights.
- Martin Luther King Holiday: These funds provide transportation services and child care for the Martin Luther King Jr Holiday celebration.
- Prior Year Encumbrances: Financial reporting standards require that annual budget comparison reports include a carry-over budget to recognize the expenditure of funds encumbered at the end of the previous year but spent in the current year. To achieve conformance with this requirement, the budget includes an appropriation of funds for the payment of prior year encumbrances. This spending authority is later reallocated to the various agencies with prior year encumbrances through a Common Council resolution, and the corresponding expenditures are recorded in the appropriate agencies.
- Revenue Sharing Payments: When municipalities are annexed to the City the agreements include revenue sharing for a period of time (usually five years) during which the City pays a portion of the city taxes to the annexed municipality. The amount was decreased based on estimates for 2023 including the end of Town of Madison revenue sharing agreements due to its dissolution and attachment to the City of Madison.
- Special Assessments: Funding is for assessments levied on city-owned property. Funding is consistent with the 2022 Adopted Budget.
- Town of Madison Final Attachment: The City of Madison attached portions of the Town of Madison effective October 31, 2022. This amount represents one-time costs for accounting and payroll transition activities.

Debt Service, Contingent Reserve, & Capital

- Debt Service: This amount represents the General Fund portion of debt service payments for 2023.
- Transfer to Affordable Housing: Funding for the Affordable Housing fund's 2022 and 2023 debt service.
- Transfer to Capital: The 2023 Executive Budget includes \$1,110,000 for projects funded by a Direct Appropriation from the General Fund. These projects are outlined in the Executive Capital Budget.
- Transfer to Insurance Fund: Funding to address higher than budgeted claim payouts and legal counsel costs in 2022.
- Contingent Reserve: It is the City’s policy to appropriate 0.5% of budget expenditures in the Contingent Reserve. Funding budgeted here may be reallocated to various agencies throughout the year to fund unanticipated expenses or revenue shortfalls. Use of these funds requires Common Council approval.

Service Budget by Fund

	2021 Actual	2022 Adopted	2022 Projected	2023 Request	2023 Executive	2023 Adopted
General	58,256,934	65,263,539	60,744,073	75,559,774	81,475,844	77,421,568
Other-Expenditures	-	-	-	-	-	-
Total	\$ 58,256,934	\$ 65,263,539	\$ 60,744,073	\$ 75,559,774	\$ 81,475,844	\$ 77,421,568

Service Budget by Account Type

	2021 Actual	2022 Adopted	2022 Projected	2023 Request	2023 Executive	2023 Adopted
Revenue	-	-	-	-	-	-
Personnel	434,663	4,358,352	1,358,613	10,053,526	12,553,526	8,499,250
Non-Personnel	57,942,131	61,029,218	59,509,491	65,626,748	69,042,818	69,042,818
Agency Charges	(119,860)	(124,031)	(124,031)	(120,500)	(120,500)	(120,500)
Total	\$ 58,256,934	\$ 65,263,539	\$ 60,744,073	\$ 75,559,774	\$ 81,475,844	\$ 77,421,568

Direct Appropriations

Function: Administration

Line Item Detail

Agency Primary Fund: General

	2021 Actual	2022 Adopted	2022 Projected	2023 Request	2023 Executive	2023 Adopted
Salaries						
Permanent Wages	24,985	-	125	-	-	-
Pending Personnel	-	727,126	912,000	3,922,300	8,172,300	4,118,024
Furlough Savings	(1,857)	-	-	-	-	-
Hourly Wages	4,384	-	-	-	-	-
Salaries Total	\$ 27,511	\$ 727,126	\$ 912,125	\$ 3,922,300	\$ 8,172,300	\$ 4,118,024
Benefits						
Comp Absence Escrow	-	3,250,000	-	3,250,000	4,000,000	4,000,000
Flexible Spending Benefits	(61,435)	35,600	35,229	35,600	35,600	35,600
Unemployment Benefits	289,762	150,000	150,000	150,000	150,000	150,000
Health Insurance Benefit	26,958	-	-	2,500,000	-	-
Life Insurance Benefit	42,674	45,626	40,313	45,626	45,626	45,626
Wage Insurance Benefit	19,256	-	43,682	-	-	-
WRS	1,879	-	8	-	-	-
FICA Medicare Benefits	11,698	-	27,256	-	-	-
Bus Pass Subsidy	76,699	150,000	150,000	150,000	150,000	150,000
Death Benefits	(340)	-	-	-	-	-
Benefits Total	\$ 407,152	\$ 3,631,226	\$ 446,488	\$ 6,131,226	\$ 4,381,226	\$ 4,381,226
Supplies						
Work Supplies	(3,882)	-	9,878	-	-	-
Medical Supplies	222	-	-	-	-	-
Supplies Total	\$ (3,659)	\$ -	\$ 9,878	\$ -	\$ -	\$ -
Purchased Services						
Conferences & Training	138	-	-	-	-	-
Memberships	103,466	103,157	90,671	103,157	103,157	103,157
Legal Services	69,925	100,000	100,000	100,000	100,000	100,000
Collection Services	28,063	55,000	41,818	55,000	55,000	55,000
Consulting Services	68,141	73,000	85,000	73,000	423,000	423,000
Other Services & Expenses	(87,109)	733,568	1,035,331	413,568	293,568	293,568
Grants	722,742	847,700	845,000	847,700	596,248	596,248
Taxes & Special Assessments	7,068	-	-	-	-	-
Tax Revenue Sharing	185,533	303,470	303,470	221,000	222,623	222,623
Purchased Services Total	\$ 1,097,966	\$ 2,215,895	\$ 2,501,290	\$ 1,813,425	\$ 1,793,596	\$ 1,793,596
Debt Othr Financing						
Contingent Reserve	-	1,815,000	-	1,815,000	1,900,000	1,900,000
Debt Othr Financing Total	\$ -	\$ 1,815,000	\$ -	\$ 1,815,000	\$ 1,900,000	\$ 1,900,000
Inter Depart Billing						
ID Billing To Landfill	(26,771)	(25,104)	(25,104)	(14,086)	(14,086)	(14,086)
ID Billing To Golf Courses	(10,054)	(10,724)	(10,724)	(10,724)	(10,724)	(10,724)
ID Billing To Parking	(50,813)	(53,833)	(53,833)	(53,836)	(53,836)	(53,836)
ID Billing To Sewer	(28,739)	(30,655)	(30,655)	(38,138)	(38,138)	(38,138)
ID Billing To Stormwater	(387)	(413)	(413)	(413)	(413)	(413)
ID Billing To Water	(3,096)	(3,302)	(3,302)	(3,303)	(3,303)	(3,303)
Inter Depart Billing Total	\$ (119,860)	\$ (124,031)	\$ (124,031)	\$ (120,500)	\$ (120,500)	\$ (120,500)
Transfer Out						
Transfer Out To Other Restrict	-	-	-	-	1,102,000	1,102,000
Transfer Out To Debt Service	55,912,824	56,108,323	56,108,323	61,108,323	61,587,222	61,587,222
Transfer Out To Capital	905,000	840,000	840,000	840,000	1,110,000	1,110,000
Transfer Out To Special Assess	30,000	50,000	50,000	50,000	50,000	50,000
Transfer Out To Insurance	-	-	-	-	1,500,000	1,500,000
Transfer Out Total	\$ 56,847,824	\$ 56,998,323	\$ 56,998,323	\$ 61,998,323	\$ 65,349,222	\$ 65,349,222