

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 this funds requires Common Council approval. (Increase: \$85,000)
- Includes a 3% cost of living adjustment (COLA) for general municipal employees. RES-21-00638 adopted on September 21, 2021, requires that general municipal employees 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 includes a 2% COLA for general municipal employees to equal that of the protective service employees (General Fund: \$1.7 million; Other Funds: \$1.2 million). General municipal employees are 6% behind protective service employees when comparing the total percentage of wage increases over the past several years. An additional 1% COLA is included in the Executive Budget to begin to address this disparity. (General Fund: \$850,000; Other Funds: \$589,900)
- 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 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)
- Increases Compensated Absence Escrow to reflect current trends. (Increase: \$750,000)
- 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)
- Adds a transfer to 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 Executive Capital Budget. (Increase \$270,000)
- Adds a transfer from the General Fund to the Insurance Fund which is experiencing 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. The expansion, which has been requested through resolutions at both the city and the county, is in the legislative process at the time of the Executive Budget publication (Legistar file #73481). Seven full-time positions will be created to support this expansion including a Public Health Supervisor, a Nurse Practitioner, three Public Health Nurses, a Public Health Aide, and a Clerk. The expansion will be initially funded in 2022 by Dane County at a total of \$230,833. The annual costs of this expansion are approximately \$1.1 million and beginning in 2023, will be shared by the City of Madison and Dane County according to equalized value as defined within the Public Health Intragovernmental Agreement. (Increase: City Share \$475,600)

Direct Appropriations

Function: Administration

Budget Overview

Agency Budget by Fund

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

Agency Budget by Service

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

Agency Budget by Major-Revenue

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

Agency Budget by Major-Expense

| Major Expense | 2021 Actual | 2022 Adopted | 2022 Projected | 2023 Request | 2023 Executive |
|----------------------|----------------------|----------------------|-----------------------|----------------------|-----------------------|
| Salaries | 27,511 | 727,126 | 912,125 | 3,922,300 | 8,172,300 |
| Benefits | 407,152 | 3,631,226 | 446,488 | 6,131,226 | 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 |
| Debt Othr Financing | - | 1,815,000 | - | 1,815,000 | 1,900,000 |
| Inter Depart Billing | (119,860) | (124,031) | (124,031) | (120,500) | (120,500) |
| Transfer Out | 56,847,824 | 56,998,323 | 56,998,323 | 61,998,323 | 65,349,222 |
| Total | \$ 58,256,934 | \$ 65,263,539 | \$ 60,744,073 | \$ 75,559,774 | \$ 81,475,844 |

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 Executive | \$ Change |
|---|----------------------|----------------------|----------------------|
| Misc Employee Compensation | | | |
| Compensation | 727,126 | 8,172,300 | 7,445,174 |
| 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 | \$ 81,475,844 | \$ 16,212,304 |

Employee Benefits & Compensation

- **Compensation:** The 2023 Executive Budget includes a 3% cost of living adjustment (COLA) for general municipal employees in Direct Appropriations.
- **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 Executive 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 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 will attach 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 this funds requires Common Council approval.

Service Budget by Fund

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

Service Budget by Account Type

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

Direct Appropriations

Function: Administration

Line Item Detail

Agency Primary Fund: General

| | 2021 Actual | 2022 Adopted | 2022 Projected | 2023 Request | 2023 Executive |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Salaries | | | | | |
| Permanent Wages | 24,985 | - | 125 | - | - |
| Pending Personnel | - | 727,126 | 912,000 | 3,922,300 | 8,172,300 |
| Furlough Savings | (1,857) | - | - | - | - |
| Hourly Wages | 4,384 | - | - | - | - |
| Salaries Total | \$ 27,511 | \$ 727,126 | \$ 912,125 | \$ 3,922,300 | \$ 8,172,300 |
| Benefits | | | | | |
| Comp Absence Escrow | - | 3,250,000 | - | 3,250,000 | 4,000,000 |
| Flexible Spending Benefits | (61,435) | 35,600 | 35,229 | 35,600 | 35,600 |
| Unemployment Benefits | 289,762 | 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 |
| 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 |
| Death Benefits | (340) | - | - | - | - |
| Benefits Total | \$ 407,152 | \$ 3,631,226 | \$ 446,488 | \$ 6,131,226 | \$ 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 |
| Legal Services | 69,925 | 100,000 | 100,000 | 100,000 | 100,000 |
| Collection Services | 28,063 | 55,000 | 41,818 | 55,000 | 55,000 |
| Consulting Services | 68,141 | 73,000 | 85,000 | 73,000 | 423,000 |
| Other Services & Expenses | (87,109) | 733,568 | 1,035,331 | 413,568 | 293,568 |
| Grants | 722,742 | 847,700 | 845,000 | 847,700 | 596,248 |
| Taxes & Special Assessments | 7,068 | - | - | - | - |
| Tax Revenue Sharing | 185,533 | 303,470 | 303,470 | 221,000 | 222,623 |
| Purchased Services Total | \$ 1,097,966 | \$ 2,215,895 | \$ 2,501,290 | \$ 1,813,425 | \$ 1,793,596 |
| Debt Othr Financing | | | | | |
| Contingent Reserve | - | 1,815,000 | - | 1,815,000 | 1,900,000 |
| Debt Othr Financing Total | \$ - | \$ 1,815,000 | \$ - | \$ 1,815,000 | \$ 1,900,000 |

Direct Appropriations

Function: Administration

Line Item Detail

Agency Primary Fund: General

| | 2021 Actual | 2022 Adopted | 2022 Projected | 2023 Request | 2023 Executive |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Inter Depart Billing | | | | | |
| ID Billing To Landfill | (26,771) | (25,104) | (25,104) | (14,086) | (14,086) |
| ID Billing To Golf Courses | (10,054) | (10,724) | (10,724) | (10,724) | (10,724) |
| ID Billing To Parking | (50,813) | (53,833) | (53,833) | (53,836) | (53,836) |
| ID Billing To Sewer | (28,739) | (30,655) | (30,655) | (38,138) | (38,138) |
| ID Billing To Stormwater | (387) | (413) | (413) | (413) | (413) |
| ID Billing To Water | (3,096) | (3,302) | (3,302) | (3,303) | (3,303) |
| Inter Depart Billing Total | \$ (119,860) | \$ (124,031) | \$ (124,031) | \$ (120,500) | \$ (120,500) |
| Transfer Out | | | | | |
| Transfer Out To Other Restrict | - | - | - | - | 1,102,000 |
| Transfer Out To Debt Service | 55,912,824 | 56,108,323 | 56,108,323 | 61,108,323 | 61,587,222 |
| Transfer Out To Capital | 905,000 | 840,000 | 840,000 | 840,000 | 1,110,000 |
| Transfer Out To Special Assess | 30,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Transfer Out To Insurance | - | - | - | - | 1,500,000 |
| Transfer Out Total | \$ 56,847,824 | \$ 56,998,323 | \$ 56,998,323 | \$ 61,998,323 | \$ 65,349,222 |