

CITY OF MADISON
INTER-DEPARTMENTAL
CORRESPONDENCE

DATE: October 2, 2001

TO: President and Members, Madison Common Council

FROM: Mayor Susan J.M. Bauman

SUBJECT: **2002 Executive Operating Budget**

I am pleased to present for your review and consideration the 2002 Executive Operating Budget. As you may recall, the target for most agencies was 100% of the 2001 allocation. Additional monies were added to the targets of agencies in which positions were funded for parts of the year, where building maintenance costs were needed for part of the year, or where increases in energy costs or tipping fees could be anticipated. Agencies were asked to make supplemental requests for programs and staff that exceeded target.

The 2002 Executive Operating budget represents a 3.11% increase in total general fund expenditures, a 5.51% increase in the property tax levy, and an increase of less than 5% in property taxes on the average home. We were able to accomplish this, while ensuring a continuation of existing services, and expansion of others, by, for the first time, full funding of Monona Terrace Community and Convention Center from the room tax and by recognizing six months of revenues from the Storm Water Utility which was created in 2000.

Major financing of the construction of Monona Terrace was accomplished by the sale of room tax revenue bonds and by the issuance of general obligation debt. All of Monona Terrace debt service and operating cost has been paid by transient occupancy tax (room tax) since 1997 except for approximately \$1,100,000 that has been paid annually from the general fund. In 2002, all costs related to Monona Terrace will be funded by the room tax.

In creating the Storm Water Utility, I was clear that this was not to be a means for increasing spending. Accordingly, the budget was initially developed without recognizing the Storm Water Utility. Before recognizing the net savings of \$1,400,000 from the general fund created by the Storm Water Utility, the 2002 executive operating budget represented a 3.94% increase in total general fund expenditures, with a corresponding 6.78% increase in the property tax levy and a 6.18% increase in the taxes on the average home.

Many difficult decisions had to be made in developing this budget. Supplemental requests totaled more than \$4,000,000! Funding decisions reflect the City of Madison's commitment to healthy and safe neighborhoods and to ensuring that all residents of our community can access those services.

Highlights include:

- Continued minimum staffing goal of 62 in the fire department.
- Increased funding for the medical director and medical supplies.
- Full year operating costs for the West District police station, and 10 months of operating costs for the new South District police station.
- Addition of two police officers, partially funded by a federal COPS grant.
- Promotion of one police officer to detective.
- Funding for a 0.5 FTE Spanish language interpreter in the Health Department.

- Additional funding for an initiative to increase access to dental care.
- \$48,125 for activities related to Public Health Unification, contingent on matching funds from Dane County.
- Funding for four elections in 2002, with staffing of eight additional polling locations.
- Funding for 1.0 FTE Management Information Specialist, effective July 1, 2002.
- Continued funding of \$10,000 as the City contribution to Study Circles on Race Relations.
- Funding for the creation of 5.0 FTEs of Public Works Maintenance Worker 2 positions in the Parks Division related to the conversion of hourly employees.
- Resources for the first year of maintenance of four new parks.
- Language directing the Park Commission to determine Levels of Service Standards for Parks Services, including those related to mowing, lifeguards, and outdoor skating rinks.
- Funding for two new Street Machine Operator 1 positions in the Streets Division to better enable the Division to keep up with the growth of the city.
- Extension of Metro service to include weekend and Holiday Service on Route 7.
- Funding to provide additional training for Transit Motorcoach Operators.
- Creation of the Office of Neighborhood Support in the Office of the Director of the Department of Planning and Development.
- \$5,000 in one-time funding for the purchase of computerized business development and retention tracking software.
- 3.1% Cost of Living increases for all City-funded Office of Community Services, Community Development Block Grant and Health Department purchase of services agencies.
- \$35,000 to fund an additional staff position for the Bridge-Lakepoint-Waunona Neighborhood Center.
- \$15,000 for Youth Integration Projects.

Many city agencies requested for additional positions. As the above list indicates, some were included. In introducing the 2002 Executive Capital Budget, I indicated that staff and I had spent a great deal of time developing a comprehensive Capital Improvement Plan for the City of Madison. Implementation of that plan carries with it the need for additional staff. Some agencies have developed long range staffing plans, while others have not yet done so. In developing the 2002 Executive Operating budget, it became increasingly clear that the city needs a blueprint for its staffing needs as well as its physical needs. Accordingly, I am directing all Agency heads, based on the CIP, to analyze staffing needs for the next five (5) years. I request that information be provided to me, along with an analysis of the implications of not funding all the "needed" positions, by May 1, 2002.

As the city continues to age, and to grow, as we experience new needs and ways of doing things, it becomes more and more apparent that we need a framework for making our budgetary decisions. While each of us seeks to ensure that Madison continues to be a great city in which to live, learn, work and play, it behooves us to make financial decisions with an eye to the future. This budget is an important step in that direction.

I believe that the budget that I am presenting today is a realistic one that balances the needs of our community with its ability to pay. I look forward to working with council members and agencies as we move to adopt a budget for 2002 and plan how future budgets should be developed.

cc: Department and Division Heads

Attachment