

2009
EXECUTIVE
OPERATING BUDGET

**PUBLIC, EDUCATIONAL AND GOVERNMENTAL
(PEG) ACCESS FUNDING FROM SUBSCRIBER CONTRIBUTIONS**

PEG Fund	<u>2007 Actual</u>	<u>2008 Budget</u>	<u>2008 Projected</u>	<u>2009 Executive</u>	<u>2009 Adopted</u>
Fund Balance, January 1	\$ 4,799	\$ 4,799	\$ 10,042	\$ 5,243	\$ -
SOURCES					
Cable Franchise Fees	422,414	414,000	414,000	414,000	-
TOTAL SOURCES	<u>\$ 422,414</u>	<u>\$ 414,000</u>	<u>\$ 414,000</u>	<u>\$ 414,000</u>	<u>\$ -</u>
USES					
WYOU	\$ 142,565	\$ 139,042	\$ 139,042	\$ 139,189	\$ -
Madison City Channel - Operating Fund	223,573	239,568	239,568	272,508	-
Madison City Channel - Capital Fund	51,033	32,651	32,651	-	-
Misc. Special Programming	-	7,538	7,538	7,546	-
TOTAL USES	<u>\$ 417,171</u>	<u>\$ 418,799</u>	<u>\$ 418,799</u>	<u>\$ 419,243</u>	<u>\$ -</u>
Fund Balance, December 31	<u>\$ 10,042</u>	<u>\$ -</u>	<u>\$ 5,243</u>	<u>\$ -</u>	<u>\$ -</u>

All revenue is from a PEG Access charge of \$0.63 per subscriber per month. PEG Access funds will be distributed along the following percentages for 2009: WYOU 33.2%, Madison City Channel 65.0% and Misc. Special Programming 1.8%. Under current state statute, the PEG fee will be eliminated in 2011. 2009 and 2010 will provide WYOU with a transition out of PEG funding. WYOU funding will be reduced by half, to approximately \$70,000, in 2010 and eliminated in 2011 with the end of PEG fee collections.

The Madison City Channel has a general fund operating budget subsidy of \$235,433. The \$7,546 for Miscellaneous programming is reflected in the Mayor's Office operating budget and is available for coverage of City functions.

Municipal Video Service Trust Fund	<u>2007 Actual</u>	<u>2008 Budget</u>	<u>2008 Projected</u>	<u>2009 Executive</u>	<u>2009 Adopted</u>
Fund Balance, January 1	\$ 121,430	\$ 57,105	\$ 106,775	\$ 85,426	\$ -
SOURCES					
Transfer In from PEG Access Fund	51,313	32,651	32,651	-	-
TOTAL SOURCES	<u>\$ 51,313</u>	<u>\$ 32,651</u>	<u>\$ 32,651</u>	<u>\$ -</u>	<u>\$ -</u>
USES					
Purchased Services	\$ 16,093	\$ 4,000	\$ 7,000	\$ -	\$ -
Supplies	49,875	13,000	20,000	-	-
Other Operating Costs	-	-	-	-	-
Capital Purchases	-	50,000	27,000	20,000	-
TOTAL USES	<u>\$ 65,968</u>	<u>\$ 67,000</u>	<u>\$ 54,000</u>	<u>\$ 20,000</u>	<u>\$ -</u>
Fund Balance, December 31	<u>\$ 106,775</u>	<u>\$ 22,756</u>	<u>\$ 85,426</u>	<u>\$ 65,426</u>	<u>\$ -</u>

2009
EXECUTIVE
OPERATING BUDGET

ROOM TAX FUND

	<u>2007 Actual</u>	<u>2008 Budget</u>	<u>2008 Projected</u>	<u>2009 Executive</u>	<u>2009 Adopted</u>
Fund Balance, January 1	\$ 2,072,022	\$ 1,951,591	\$ 2,104,735	\$ 2,819,989	\$ -
Reserved for Bond Requirements	(1,004,346)	(1,004,346)	(1,004,346)	(1,004,346)	-
Reserved for Event Booking Assistance Commitments	(295,495)	(295,495)	(337,225)	(337,225)	-
Balance of Unreserved Funds, January 1	<u>\$ 772,181</u>	<u>\$ 651,750</u>	<u>\$ 763,164</u>	<u>\$ 1,478,418</u>	<u>\$ -</u>
 SOURCES					
Estimated Total Room Tax Receipts (a)	\$ 8,344,296	\$ 8,414,000	\$ 8,777,000	\$ 9,040,000	\$ -
Interest Revenue	14,743	33,000	25,000	74,000	-
TOTAL SOURCES	<u>\$ 8,359,039</u>	<u>\$ 8,447,000</u>	<u>\$ 8,802,000</u>	<u>\$ 9,114,000</u>	<u>\$ -</u>
 USES					
<u>Monona Terrace:</u>					
Debt Service Payment - Revenue Bond Issue	\$ 993,496	\$ 994,896	\$ 994,896	\$ 990,771	\$ -
Debt Service Payment - General Obligation Bond Issue	917,815	890,615	890,615	853,565	-
Operating Subsidy	2,925,631	2,966,911	2,966,911	2,927,033	-
Capital Purchases	678,618	273,500	273,500	695,000	-
Subtotal Monona Terrace	<u>\$ 5,515,560</u>	<u>\$ 5,125,922</u>	<u>\$ 5,125,922</u>	<u>\$ 5,466,369</u>	<u>\$ -</u>
 <u>Greater Madison Convention and Visitors Bureau:</u>					
Destination Marketing (b)	\$ 1,589,605	\$ 1,633,793	\$ 1,668,859	\$ 1,755,400	\$ -
Estimated Event Booking Assistance Subsidy	117,719	100,000	100,000	150,000	-
Subtotal GMCVB	<u>\$ 1,707,324</u>	<u>\$ 1,733,793</u>	<u>\$ 1,768,859</u>	<u>\$ 1,905,400</u>	<u>\$ -</u>
 <u>Other:</u>					
Transfers to General Fund for:					
General Purposes	\$ 600,000	\$ 600,000	\$ 600,000	\$ 1,600,000	\$ -
Overture Operations	350,000	350,000	350,000	350,000	-
Rhythm & Booms - City Agency Base Costs	73,200	74,679	75,190	79,000	-
Rhythm & Booms - Transit Costs	497	10,000	-	-	-
Arts Grants	67,000	67,000	67,000	67,000	-
Total Transfers to General Fund	<u>1,090,697</u>	<u>1,101,679</u>	<u>1,092,190</u>	<u>2,096,000</u>	<u>-</u>
Badger State Games	20,000	20,000	20,000	-	-
Rhythm & Booms - Cash Contribution	17,775	17,775	17,775	17,775	-
Sister Cities Program	-	-	-	5,000	-
Madison Scouts and Capitol Sound	12,000	12,000	12,000	12,000	-
Downtown Hotel Study	-	-	40,000	-	-
Civic Promotion	4,700	10,000	10,000	10,000	-
Subtotal Other	<u>\$ 1,145,172</u>	<u>\$ 1,161,454</u>	<u>\$ 1,191,965</u>	<u>\$ 2,140,775</u>	<u>\$ -</u>
TOTAL USES	<u>\$ 8,368,056</u>	<u>\$ 8,021,169</u>	<u>\$ 8,086,746</u>	<u>\$ 9,512,544</u>	<u>\$ -</u>
Balance of Unreserved Funds, December 31	<u>\$ 763,164</u>	<u>\$ 1,077,581</u>	<u>\$ 1,478,418</u>	<u>\$ 1,079,874</u>	<u>\$ -</u>

(a) The Room Tax revenue for 2007 reflects adoption of an ordinance increasing the City of Madison Room Tax rate from 8% to 9% effective January 1, 2007.

(b) In 2007, City contributions to the Greater Madison Convention and Visitors Bureau (GMCVB) to support destination marketing efforts were calculated based on 20% of the actual 2006 room tax collections increased by a factor of 9/8ths, to match the tax rate increase effective at the beginning of 2007. The City negotiated and entered into a 5-year renewable agreement with the GMCVB whereby future year contributions to the GMCVB to support destination marketing efforts will be equal to 20% of the actual prior year room tax collections. Funding increases resulting from the foregoing will be invested, for the purpose of increasing conventions and other events in Madison, in additional resources in the following five areas: convention sales, convention services, marketing, sports development and strategic planning.

The City intends that \$25,000 in 2011 Room Tax revenues be committed in support of the Congress for New Urbanism conference scheduled in Madison in June, 2011. This conference is projected to have a \$1.2 million impact on the community and to attract 1,700 participants.

2009
EXECUTIVE
OPERATING BUDGET

AFFORDABLE HOUSING TRUST FUND

	2007 Actual	2008 Budget	2008 Projected	2009 Executive	2009 Adopted
Fund Balance, January 1	\$ 2,508,868	\$ 3,913,648	\$ 3,968,610	\$ 4,128,610	\$ -
SOURCES					
<u>Dedicated:</u>					
Private Contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Payments in Lieu of Program Participation	-	-	-	-	-
Matching Funds from Federal Trust	-	-	-	-	-
Loan Repayment Principal	50,000	-	-	-	-
Loan Repayment Interest	-	-	-	-	-
Investment Revenue	174,962	195,000	160,000	164,000	-
<u>Discretionary:</u>					
Equity Participation Payments	-	-	-	-	-
Proceeds from Sale of Surplus Property	944,780	-	-	-	-
Transfer from General Fund (a)	300,000	-	-	-	-
TOTAL SOURCES	\$ 1,469,742	\$ 195,000	\$ 160,000	\$ 164,000	\$ -
USES					
Loans to Create Affordable Housing	\$ 10,000	\$ 26,250	\$ -	\$ 26,250	\$ -
Allied Drive Redevelopment	-	-	-	-	-
TOTAL USES	\$ 10,000	\$ 26,250	\$ -	\$ 26,250	\$ -
Fund Balance, December 31	\$ 3,968,610	\$ 4,082,398	\$ 4,128,610	\$ 4,266,360	\$ -
Portion of Balance Authorized for Distribution:					
Total Prior Year Sources Deposited	\$ 113,708	\$ 105,000	\$ 1,469,742	\$ 160,000	\$ -
Less Loan Repayments	-	-	(50,000)	-	-
Subtotal	\$ 113,708	\$ 105,000	\$ 1,419,742	\$ 160,000	\$ -
Distribution Proportion	25%	25%	25%	25%	0%
Authorized for Distribution by Ordinance	\$ 28,427	\$ 26,250	\$ 354,936	\$ 40,000	\$ -

(a) In addition to the \$300,000 appropriated from the General Fund in 2007, up to \$200,000 of any funds remaining in the Contingent Reserve at the end of 2007 would have been transferred to the Affordable Housing Trust Fund. No such funds were available. No transfer from the General Fund was budgeted for 2008.

2009
EXECUTIVE
OPERATING BUDGET

INCLUSIONARY ZONING SPECIAL REVENUE FUND

	<u>2007 Actual</u>	<u>2008 Budget</u>	<u>2008 Projected</u>	<u>2009 Executive</u>	<u>2009 Adopted</u>
Fund Balance, January 1	\$ 344,747	\$ 508,200	\$ 545,541	\$ 552,380	\$ -
SOURCES					
Payments in Lieu of Program Participation	\$ 179,950	\$ -	\$ 57,839	\$ 396,935	\$ -
City Share of Equity on Unit Sales	-	-	-	-	-
Inclusionary Unit Transfer Fees	-	-	-	-	-
Private Contributions	-	-	-	-	-
Investment Revenue	20,844	25,000	24,000	26,000	-
TOTAL SOURCES	<u>\$ 200,794</u>	<u>\$ 25,000</u>	<u>\$ 81,839</u>	<u>\$ 422,935</u>	<u>\$ -</u>
USES					
Incentive Payments	\$ -	\$ 229,100	\$ -	\$ 675,000	\$ -
Purchase of IZ Options	-	137,460	-	135,000	-
Purchase of Lots or Units	-	91,640	-	90,315	-
CDBG Administrative Costs	-	75,000	75,000	75,000	-
TOTAL USES	<u>\$ -</u>	<u>\$ 533,200</u>	<u>\$ 75,000</u>	<u>\$ 975,315</u>	<u>\$ -</u>
Fund Balance, December 31	<u>\$ 545,541</u>	<u>\$ -</u>	<u>\$ 552,380</u>	<u>\$ -</u>	<u>\$ -</u>

This fund (SO41) was established by resolution in 2004. Guidelines for the expenditure of funds from this account were adopted by the Common Council in 2005 (RES-05-00692). Expenditures from this fund not enumerated above would require separate Common Council budget authorization.

Actual or Anticipated "In Lieu" Sources

417 W Dayton - Capitol Bassett	\$ 30,000	\$ -	\$ -	\$ -	\$ -
Block 51 - Capitol West	149,950	-	-	-	-
University Square	-	-	-	-	-
Sveum Builders - Park East	-	-	50,039	-	-
Veridian - Linden Park 1st Addition	-	-	7,800	-	-
Keuler - Hawks Ridge Condos, Midtown Rd	-	-	-	80,000	-
Cherokee Development - 5th Addition	-	-	-	70,000	-
Enzenroth - Tormey Ridge	-	-	-	246,935	-
	<u>\$ 179,950</u>	<u>\$ -</u>	<u>\$ 57,839</u>	<u>\$ 396,935</u>	<u>\$ -</u>

2009
EXECUTIVE
OPERATING BUDGET

CAPITAL REVOLVING FUND

	<u>2007 Actual</u>	<u>2008 Budget</u>	<u>2008 Projected</u>	<u>2009 Executive</u>	<u>2009 Adopted</u>
Fund Balance, January 1	\$ 1,059,883	\$ 875,983	\$ 1,198,736	\$ 1,058,239	\$ -
SOURCES					
Loan Repayments:					
Interest	\$ 121,438	\$ 55,000	\$ 57,585	\$ 55,133	\$ -
Principal	52,458	184,000	186,918	70,071	-
Principal Prepayment	-	30,000	-	-	-
Application Fees	500	-	-	-	-
Proceeds from Borrowing	-	-	-	-	-
TOTAL SOURCES	<u>\$ 174,396</u>	<u>\$ 269,000</u>	<u>\$ 244,503</u>	<u>\$ 125,204</u>	<u>\$ -</u>
USES					
Loans	\$ -	\$ 1,000,000	\$ 250,000	\$ -	\$ -
Façade Grants	20,000	125,000	125,000	125,000	-
Staff Costs	15,543	10,000	10,000	10,000	-
Other	-	-	-	-	-
TOTAL USES	<u>\$ 35,543</u>	<u>\$ 1,135,000</u>	<u>\$ 385,000</u>	<u>\$ 135,000</u>	<u>\$ -</u>
Annual Net Cash Flow	<u>\$ 138,853</u>	<u>\$ (866,000)</u>	<u>\$ (140,497)</u>	<u>\$ (9,796)</u>	<u>\$ -</u>
Fund Balance (Deficit), December 31	<u>\$ 1,198,736</u>	<u>\$ 9,983</u>	<u>\$ 1,058,239</u>	<u>\$ 1,048,443</u>	<u>\$ -</u>

2009
EXECUTIVE
OPERATING BUDGET

REVERSE MORTGAGE FUND

	<u>2007 Actual</u>	<u>2008 Budget</u>	<u>2008 Projected</u>	<u>2009 Executive</u>	<u>2009 Adopted</u>
Net Assets, January 1 (Due to SARF)	\$ (324,381)	\$ (369,804)	\$ (369,804)	\$ (378,954)	\$ -
SOURCES					
Repayment of Principal on Loans	\$ 53,097	\$ -	\$ 55,000	\$ 25,000	\$ -
Interest Income	-	-	4,000	5,000	-
Other	98	-	-	-	-
TOTAL SOURCES	<u>\$ 53,195</u>	<u>\$ -</u>	<u>\$ 59,000</u>	<u>\$ 30,000</u>	<u>\$ -</u>
USES					
Loan Disbursements	\$ 98,380	\$ 95,000	\$ 68,000	\$ 110,000	\$ -
Mortgage and Title Services	238	-	150	500	-
TOTAL USES	<u>\$ 98,618</u>	<u>\$ 95,000</u>	<u>\$ 68,150</u>	<u>\$ 110,500</u>	<u>\$ -</u>
Net Assets, December 31 (Due to SARF)	<u>\$ (369,804)</u>	<u>\$ (464,804)</u>	<u>\$ (378,954)</u>	<u>\$ (459,454)</u>	<u>\$ -</u>

This fund is for a City-administered reverse mortgage program that enables elderly homeowners on fixed incomes to utilize equity in their homes to pay all or a portion of their annual property taxes. Eligibility guidelines are the same as for the City's Special Assessment Deferral Program. Twenty-two households used this program in 2007, representing approximately \$507,000 in mortgages.

The negative fund balance of \$378,954 in this fund represents the amount owed to the Special Assessment Revolving Fund (SARF).

2009
EXECUTIVE
OPERATING BUDGET

GENERAL LAND ACQUISITION FUND

	<u>2007 Actual</u>	<u>2008 Budget</u>	<u>2008 Projected</u>	<u>2009 Executive</u>	<u>2009 Adopted</u>
Fund Balance, January 1	\$ 275,329	\$ 1,745,328	\$ 1,745,328	\$ 1,745,828	\$ -
SOURCES					
Land Sales	\$ 1,470,093	\$ -	\$ -	\$ -	\$ -
Operating Lease Payments	6,542	-	6,500	6,500	-
TOTAL SOURCES	<u>\$ 1,476,635</u>	<u>\$ -</u>	<u>\$ 6,500</u>	<u>\$ 6,500</u>	<u>\$ -</u>
USES					
Land Acquisition	\$ -	\$ 200,000	\$ -	\$ 200,000	\$ -
Holding Costs	5,761	-	6,000	6,500	-
Staff Charges	875	-	-	1,000	-
TOTAL USES	<u>\$ 6,636</u>	<u>\$ 200,000</u>	<u>\$ 6,000</u>	<u>\$ 207,500</u>	<u>\$ -</u>
Fund Balance, December 31	<u>\$ 1,745,328</u>	<u>\$ 1,545,328</u>	<u>\$ 1,745,828</u>	<u>\$ 1,544,828</u>	<u>\$ -</u>

The General Land Acquisition Fund may be used for the land acquisition portion of various projects. These purchases may be completed to the extent that funds are available and specific Common Council approval is obtained.

2009
EXECUTIVE
OPERATING BUDGET

BROWNFIELDS REMEDIATION REVOLVING LOAN FUND

	<u>2007 Actual</u>	<u>2008 Budget</u>	<u>2008 Projected</u>	<u>2009 Executive</u>	<u>2009 Adopted</u>
Fund Balance, January 1	\$ -	\$ 1,050,000	\$ 1,050,000	\$ 1,050,000	\$ -
SOURCES					
State Grant	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -
Promissory Note Proceeds	50,000	-	-	-	-
TOTAL SOURCES	<u>\$ 1,050,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
USES					
Loans	\$ -	\$ 1,050,000	\$ -	\$ 500,000	\$ -
TOTAL USES	<u>\$ -</u>	<u>\$ 1,050,000</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ -</u>
Fund Balance, December 31	<u>\$ 1,050,000</u>	<u>\$ -</u>	<u>\$ 1,050,000</u>	<u>\$ 550,000</u>	<u>\$ -</u>

This is the first year for the Brownfields Remediation Loan program to appear in the Operating Budget. In prior years, this project was authorized in the Capital Budget for Planning and Community and Economic Development. The 2008 Budget column above is based on the expenditure authority outlined in the 2008 Capital Budget for this project.

The Brownfields Remediation Loan program is dedicated to providing loans and grants to businesses and other eligible entities for environmental site assessments, site investigations, remedial action plans and site clean up. In addition, this fund will be used to pay for the City costs of administering the program and marketing. The fund has been capitalized by a \$1 million grant from the State of Wisconsin and \$50,000 from City general obligation borrowing. The fund is managed by the Department of Planning and Community and Economic Development per guidelines adopted on September 18, 2007. Projects and associated funding will require Common Council approval.

2009
EXECUTIVE
OPERATING BUDGET

HOME-BUY Fund

	2007 Actual	2008 Budget	2008 Projected	2009 Executive	2009 Adopted
Fund Balance, January 1	\$ 474,567	\$ -	\$ 393,634	\$ 774,418	\$ -
SOURCES					
Loan Repayments:					
Interest	\$ 1,068	\$ -	\$ -	\$ -	\$ -
Principal	80,212	-	21,800	35,000	-
Application Fees	6,264	-	-	-	-
State Funds	217,135	-	821,304	-	-
TOTAL SOURCES	\$ 304,679	\$ -	\$ 843,104	\$ 35,000	\$ -
USES					
Loans	\$ 356,500	\$ -	\$ 420,000	\$ 741,738	\$ -
Staff Costs / Service Delivery	29,112	-	42,320	67,680	-
TOTAL USES	\$ 385,612	\$ -	\$ 462,320	\$ 809,418	\$ -
Fund Balance, December 31	\$ 393,634	\$ -	\$ 774,418	\$ 0	\$ -

This is the first year for the HOME-BUY program to appear in the Operating Budget. In prior years, this project was authorized in the Capital Budget for Planning and Community and Economic Development. As part of this migration from the Capital to Operating Budget, a new fund has been established for this project. Due to these technical accounting changes, no 2008 Budget is presented above.

The HOME-BUY fund provides up to \$5,000 as a no-interest deferred payment loan to assist eligible home buyers with down payment and closing costs in the purchase of a home within the greater Madison area. In addition to loan repayments, available fund balance, Cooperative Assistance Program (COAP) repayments, and Rehab Program Income, the program is funded by the State of Wisconsin Division of Housing through its Housing Cost Reduction Initiative (HCRI) program. The Office of Community Development Block Grants (CDBG) serves as the lead fiscal agency and the Economic Development Division provides loan administration under guidance of the Community Development Authority (CDA) and CDBG.

2009
EXECUTIVE
OPERATING BUDGET

HOUSING REHABILITATION SERVICES

	<u>2007 Actual</u>	<u>2008 Budget</u>	<u>2008 Projected</u>	<u>2009 Executive</u>	<u>2009 Adopted</u>
Fund Balance, January 1	\$ 1,127,661	\$ -	\$ 913,530	\$ 519,530	\$ -
SOURCES					
Loan Repayments:					
Interest	\$ 32,603	\$ -	\$ 31,500	\$ 35,000	\$ -
Principal	476,656	-	620,000	770,000	-
Principal Prepayment	-	-	-	-	-
Application Fees	1,043	-	-	-	-
New Federal Funds	41,560	-	232,500	58,000	-
TOTAL SOURCES	<u>\$ 551,862</u>	<u>\$ -</u>	<u>\$ 884,000</u>	<u>\$ 863,000</u>	<u>\$ -</u>
USES					
Loans	\$ 729,405	\$ -	\$ 1,200,000	\$ 1,200,000	\$ -
Staff Costs / Service Delivery	36,588	-	78,000	83,000	-
TOTAL USES	<u>\$ 765,993</u>	<u>\$ -</u>	<u>\$ 1,278,000</u>	<u>\$ 1,283,000</u>	<u>\$ -</u>
Fund Balance, December 31	<u>\$ 913,530</u>	<u>\$ -</u>	<u>\$ 519,530</u>	<u>\$ 99,530</u>	<u>\$ -</u>

This is the first year for the Housing Rehabilitation Services program to appear in the Operating Budget. In prior years, this project was authorized in the Capital Budget for Planning and Community and Economic Development. As part of this migration from the Capital to Operating Budget, a new fund has been established for this project. Due to these technical accounting changes, no 2008 Budget is presented above.

The Housing Rehabilitation Services program provides loans for the rehabilitation of single-family to eight-unit buildings. Deferred payment loans are available to single-family homeowners at or below 80% of County median income, and installment loans are available to property owners who own a 1-8 unit building. In 2009 a special loan fund will continue to provide loans to owners of 2-8 unit buildings on Lake Point Drive to enhance the exterior quality and aesthetics of their buildings. Funding is provided through available fund balance, Community Development Block Grant (CDBG) funds, HOME funds, CDBG and HOME loan repayments, Installment Loan repayments, and Rehab Program Income. The Economic Development Division provides loan administration under guidance of the Office of Community Development Block Grant and the Community Development Authority (CDA).

2009
EXECUTIVE
OPERATING BUDGET

SCATTERED SITE FUND

	<u>2007 Actual</u>	<u>2008 Budget</u>	<u>2008 Projected</u>	<u>2009 Executive</u>	<u>2009 Adopted</u>
Fund Balance, January 1	\$ 400,677	\$ -	\$ 500,677	\$ 601,477	\$ -
SOURCES					
Loan Repayments:					
Appreciation	\$ -	\$ -	\$ -	\$ -	\$ -
Principal	-	-	-	-	-
Transfer In (UDAG funds)	100,000	-	150,000	150,000	-
Application Fee	-	-	-	-	-
TOTAL SOURCES	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ -</u>
USES					
Loans	\$ -	\$ -	\$ 49,200	\$ 150,000	\$ -
Staff Costs / Service Delivery	-	-	-	-	-
TOTAL USES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,200</u>	<u>\$ 150,000</u>	<u>\$ -</u>
Fund Balance, December 31	<u>\$ 500,677</u>	<u>\$ -</u>	<u>\$ 601,477</u>	<u>\$ 601,477</u>	<u>\$ -</u>

This is the first year for the Scattered Site Fund to appear in the Operating Budget. In prior years, this project was authorized in the Capital Budget for Planning and Community and Economic Development. As part of this migration from the Capital to Operating Budget, a new fund has been established for this project. Due to these technical accounting changes, no 2008 Budget is presented above.

The scattered site fund provides loans to non-profit organizations to help purchase residential properties outside of areas where service-enriched housing has traditionally been located. Housing operated as part of community correction programs is ineligible. Under guidance of the CDBG Commission, with staffing from the Office of Community Development Block Grants, the purpose of this fund is to broaden housing choices throughout the community. Funding for this program is from repayments of Urban Development Action Grant (UDAG) loans.

2009
EXECUTIVE
OPERATING BUDGET

HOMEBUYER'S ASSISTANCE PROGRAM

	<u>2007 Actual</u>	<u>2008 Budget</u>	<u>2008 Projected</u>	<u>2009 Executive</u>	<u>2009 Adopted</u>
Fund Balance, January 1	\$ 1,223,981	\$ -	\$ 1,027,854	\$ 530,854	\$ -
SOURCES					
Loan Repayments:					
Interest	\$ 11,905	\$ -	\$ 20,000	\$ 20,000	\$ -
Principal	33,990	-	10,000	30,000	-
Principal Prepayment	-	-	-	-	-
Application Fees	-	-	-	-	-
TOTAL SOURCES	<u>\$ 45,895</u>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>
USES					
Loans	\$ 230,225	\$ -	\$ 500,000	\$ 550,000	\$ -
Staff Costs / Service Delivery	11,797	-	27,000	25,000	-
TOTAL USES	<u>\$ 242,022</u>	<u>\$ -</u>	<u>\$ 527,000</u>	<u>\$ 575,000</u>	<u>\$ -</u>
Fund Balance, December 31	<u>\$ 1,027,854</u>	<u>\$ -</u>	<u>\$ 530,854</u>	<u>\$ 5,854</u>	<u>\$ -</u>

This is the first year for the Homebuyer's Assistance program to appear in the Operating Budget. In prior years, this project was authorized in the Capital Budget for Planning and Community and Economic Development. As part of this migration from the Capital to Operating Budget, a new fund has been established for this project. Due to these technical accounting changes, no 2008 Budget is presented above.

The Homebuyer's Assistance program provides loans to eligible buyers to finance a portion of the acquisition and rehabilitation cost of an eligible property. These loans are available to owner-occupants/developers of 1-8 unit buildings. The program also funds matching for Home-Buy funds for borrowers purchasing a property, which has been designated to receive matching funds, or for borrowers with incomes of no more than 50% of the Dane County median income. Additionally, short-term financing may be provided to qualifying developers to assist in land acquisition/construction or rehabilitation infill housing and housing conversion projects. Funding is from available fund balances, loan repayments and Rehab Program Income. The Economic Development Division provides loan administration under guidance of the Community Development Authority (CDA).

2009
EXECUTIVE
OPERATING BUDGET

CITY INSURANCE FUND

	2007 Actual	2008 Budget	2008 Projected	2009 Executive	2009 Adopted
Cash and Other Assets	\$ 5,375,446	\$ 5,496,346	\$ 5,084,970	\$ 5,074,957	\$ -
Claims Payable and Other Liabilities	<u>(4,564,968)</u>	<u>(4,200,000)</u>	<u>(2,703,096)</u>	<u>(2,800,000)</u>	-
Net Assets: January 1	\$ 810,478	\$ 1,296,346	\$ 2,381,874	\$ 2,274,957	\$ -
 REVENUES					
Billings to Departments	\$ 1,000,004	\$ 1,000,000	\$ 1,000,000	\$ 750,000	\$ -
Interest Income	25,277	25,000	25,000	25,000	-
Insurance Recoveries	246,601	40,000	400,000	200,000	-
Miscellaneous Revenue	35,837	30,000	30,000	30,000	-
WMMIC Dividend	<u>390,137</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	-
Total Revenues	\$ 1,697,856	\$ 1,495,000	\$ 1,855,000	\$ 1,405,000	\$ -
 EXPENSES					
Liability Premium	\$ 300,973	\$ 350,000	\$ 343,917	\$ 350,000	\$ -
Property Premium	332,979	350,000	320,000	350,000	-
Other Premiums	55,199	60,000	58,000	65,000	-
Claims	152,520	200,000	200,000	500,000	-
Reserve Adjustment	(1,094,101)	-	500,000	-	-
Interest Expense	32,634	-	-	-	-
Loss Payments to Departments	253,483	-	400,000	200,000	-
Administrative Expense	<u>92,774</u>	<u>150,000</u>	<u>140,000</u>	<u>150,000</u>	-
Total Expenses	\$ 126,461	\$ 1,110,000	\$ 1,961,917	\$ 1,615,000	\$ -
 Net Assets: December 31	 \$ 2,381,873	 \$ 1,681,346	 \$ 2,274,957	 \$ 2,064,957	 \$ -
Net Asset Goal	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,900,000</u>	-
Surplus (Deficiency)	<u>\$ 481,873</u>	<u>\$ (218,654)</u>	<u>\$ 374,957</u>	<u>\$ 164,957</u>	<u>\$ -</u>

Note on Reserve Policy:

The City's Insurance Fund reserve policy is to maintain a net asset balance equal to or greater than the current year aggregate self-insured retention (SIR) contained in the City's liability insurance coverage as established by Wisconsin Municipal Mutual Insurance Company (WMMIC) policy.

The City of Madison aggregate SIR for 2008 is \$1.9 million. Based on the reserve policy, the Insurance Fund is expected to have a surplus of \$164,957 at the end of 2009. Claims are reserved at a 95% confidence level.

2009
EXECUTIVE
OPERATING BUDGET

CITY WORKERS COMPENSATION FUND

	2007 Actual	2008 Budget	2008 Projected	2009 Executive	2009 Adopted
Cash and Other Assets	\$ 4,054,336	\$ 8,031,605	\$ 7,437,517	\$ 8,147,923	\$ -
Claims Payable and Other Liabilities	<u>(9,225,971)</u>	<u>(9,587,421)</u>	<u>(10,222,294)</u>	<u>(10,400,000)</u>	<u>-</u>
Net Assets: January 1	\$ (5,171,635)	\$ (1,555,816)	\$ (2,784,777)	\$ (2,252,077)	\$ -
 REVENUES					
Billings to Departments	\$ 2,999,979	\$ 3,000,000	\$ 3,000,000	\$ 3,500,000	\$ -
Appropriation from Other Funds	4,031,605	1,000,000	1,000,000	-	-
Misc. Revenue (3rd Party Subrogation)	<u>51,952</u>	<u>40,000</u>	<u>20,000</u>	<u>40,000</u>	<u>-</u>
Total Revenue	\$ 7,083,536	\$ 4,040,000	\$ 4,020,000	\$ 3,540,000	\$ -
 EXPENSES					
Workers' Compensation Losses Paid	\$ 3,165,860	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ -
Actuarial Reserve Adjustment	1,042,888	-	-	-	-
Legal Services	58,139	50,000	50,000	50,000	-
Outside Services	238,338	225,000	225,000	231,000	-
Administrative Expense	-	-	-	62,000	-
Insurance	<u>191,454</u>	<u>200,000</u>	<u>212,300</u>	<u>220,000</u>	<u>-</u>
Total Expenses	\$ 4,696,679	\$ 3,475,000	\$ 3,487,300	\$ 3,563,000	\$ -
 Net Assets: December 31	 \$ (2,784,778)	 \$ (990,816)	 \$ (2,252,077)	 \$ (2,275,077)	 \$ -
Net Asset Goal	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>	<u>600,000</u>	<u>-</u>
Deficiency	<u>\$ (3,334,778)</u>	<u>\$ (1,540,816)</u>	<u>\$ (2,802,077)</u>	<u>\$ (2,875,077)</u>	<u>\$ -</u>

Note on Workers Compensation Fund Policy:

The City's Workers Compensation Fund policy is to maintain a net asset balance equal to or greater than the current self-insured retention (SIR) contained in the City's excess Workers Compensation insurance policy. In 2008, the SIR increased from \$550,000 to \$600,000. In 2007, an actuarial review of past claims resulted in a required reserve balance increase of \$1,042,888. Claims are reserved at a 95% confidence level.

At the end of 2006, \$2,400,000 was appropriated from the General Fund to the Workers Compensation Fund to reduce the projected net asset deficiency. Another \$4,031,605 was appropriated from the General Fund in 2007. The Adopted 2008 Budget appropriates \$1,000,000 of proceeds from the closure of TIF districts directly to the Workers Compensation Fund.

Based on 2009 projected activity, the Workers Compensation is expected to remain deficient of the net asset goal by \$2,875,077.

INTRODUCTION TO AGENCY BUDGETS

Budget Requests: Target and Supplemental

Agencies were instructed to submit a 2009 budget request that was equal to the 2008 adopted budget. Some agencies were given adjusted targets in recognition of additional funding needed to maintain the current level of service. Agencies were also asked to submit plans to reduce levy support by 5 percent of the target level to provide options for potential levy reductions. Agencies could also submit supplemental budget requests to continue existing services.

Budget Supplement Document

As in past years, the "Budget Supplement" is available as a separate document. It includes detailed information by agency for permanent salaries, minor object codes, inter-agency billings, and capital assets.

Enterprise Funds

The operating budget includes revenue and expenditure information pertaining to several City enterprises. Operations of the Parking Utility, Sewer Utility, Stormwater Utility and Water Utility have historically been fully supported by enterprise revenues and have required no General Fund subsidy or contribution. Since 1998, there has been no subsidy for the Golf Enterprise. The budget contains appropriations to other enterprises including Metro Transit and Monona Terrace (from the Room Tax Fund).

Those enterprises subsidized by the General Fund receive an appropriation consistent with the budgeted level. Savings resulting from lower than anticipated expenses and revenues generated in excess of budgeted levels are maintained in the individual enterprise operating funds. This policy affords enterprise managers the opportunity to utilize positive budget variances to benefit future year operations. It also builds capacity to respond to future budget shortfalls from enterprise resources, without affecting General Fund expenditure levels.

The budget includes the City's subsidy to the Overture Center, as specified by the Operation and Cooperation Agreement between the City and the Madison Cultural Arts District.

New Budget Presentations in 2008

The Landfill budget was presented for the first time in the Operating Budget. It was previously included in the Capital Budget. Most anticipated major remediation projects have been completed, and the agency is now primarily engaged in monitoring and maintaining existing landfills. This agency is entirely supported by the landfill remediation fee, reserves generated and interest revenues; it requires no General Fund subsidy or contribution.

The Capital Revolving Fund cash flow statement was added to the Summaries section of the Operating Budget.

New Budget Presentations in 2009

CDA Redevelopment has been added as an operating budget agency for the first time. This new budget agency presents the ongoing administrative and redevelopment project activities of the Community Development authority, a function that was not previously included in the City's budget review and adoption process. This new agency presentation, when taken together with the CDA Housing Operations budget, provides a more complete budgeting picture of CDA operations.

Budgets for a number of existing special revenue fund activities have also been added to this year's budget document, including Reverse Mortgage Fund, General Land Acquisition Fund, Brownfields Remediation Revolving Loan Fund, HOME-BUY Fund, Housing Rehabilitation Services Fund, Scattered Site Fund, and Homebuyer's Assistance Fund.

Historically, expenditures from these funds have been authorized through individual resolutions adopted by the Common Council during the calendar year. Addition of these funds to the operating budget process will provide a better opportunity to review and approve the financial plans associated with these varied activities.