

Understanding the 2019 Outlook

CITY OF MADISON

2019 OUTLOOK

Revenue
+13.3m

Expenditures
+18.0m

-\$4.7m

Revenue

+4.1%
INCREASE

- Growth in General Fund revenue is driven by a one-time increase in state aid (\$1.1m) and the projected levy increase (\$10.6m).
- Local revenues are projected to decline by 0.8% (\$0.4m) from 2018 to 2019.



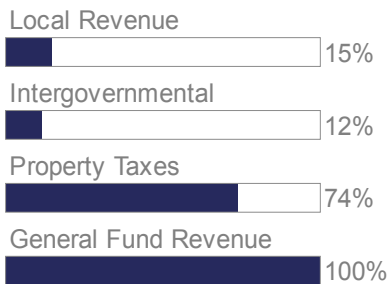
PROPERTY TAX LEVY

Allowable Levy Growth
Projected Growth=\$10.6m

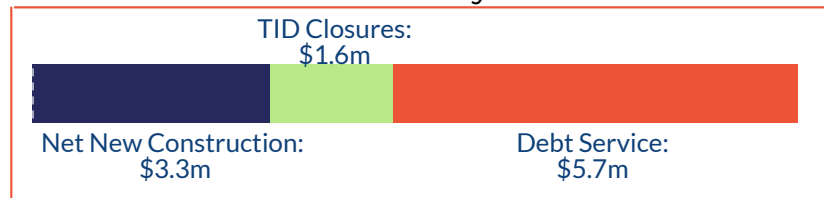
- State-imposed Levy Limits cap the growth rate in the property tax levy. The closures of three TIF Districts adds \$1.6m to the allowable increase in 2019.
- The property tax levy is projected to increase by 4.6% (\$10.6m) from 2018 to 2019; at this rate taxes on the average value home will increase 1.1%.

Where the \$ Comes From

GENERAL FUND REVENUE BY TYPE



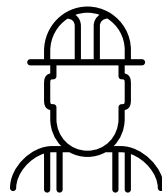
Elements of Levy Growth



Expenditures

General Fund expenditures are projected to increase by 5.8%. Debt service & personnel costs are the primary drivers of the increase.

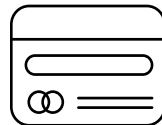
+5.8%
INCREASE



PERSONNEL COSTS

Increase=\$7.3m

- Step & longevity increases for existing employees;
- Anticipated contract increases;
- Police overtime & academy costs;
- Sick leave escrow payments; and
- Projected increase in health insurance rates.



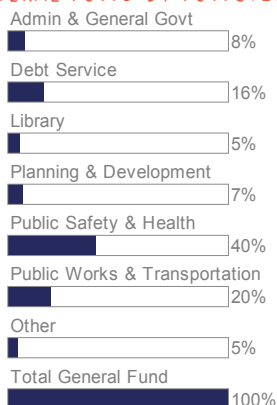
DEBT SERVICE

Increase=\$6.7m

- Assumes GO Borrowing in 2018 will be consistent with prior year trends (2/3 of authorized borrowing).
- At projected level, debt service will be 16.0% of the 2019 budget.

Where the \$ Goes

GENERAL FUND BY FUNCTION



FUEL & EQUIPMENT COSTS

Increase=\$2.0m

- Projected increase in fuel & diesel costs for City & Metro fleet based on current futures estimates.
- Increase depreciation costs based on current assets and those planned to be purchased.