2027
Executive Operating Budget
Common Council Amendments (Adopted)

General and Library Fund Summary

	Net Expenditures	GF Revenue	Levy
Executive Budget	**$ 477,549,853**	**$ 139,647,573**	**$ 337,902,281**
Finance Committee			
Finance Cmte Proposed Amendments	$ 209,845	$ -	$ 209,845
Finance Cmte Adopted Amendments	$ 199,845	$ -	$ 199,845
Total Finance Cmte Recommended Budget	**$ 477,749,698**	**$ 139,647,573**	**$ 338,102,126**
Common Council			
Common Council Proposed Amendments	$ -	$ 199,845	$ (199,845)
Common Council Adopted Amendments	$ -	$ 199,845	$ (199,845)
Total Common Council Proposed Budget	**$ 477,749,698**	**$ 139,847,418**	**$ 337,902,281**
Maximum Allowed Levy			**$ 342,968,873**
Remaining Levy Capacity -- Executive Budget			$ 5,066,592
Remaining Levy Capacity -- FC Recommended Budget			$ 4,866,747
Remaining Levy Capacity -- CC Adopted Budget			
Maximum Allowed Expenditures			**$ 396,684,557**
Net expenditures, less debt service and other ERIP execeptions			$ 396,284,558
Remaining Expenditure Capacity -- Executive Budget			$ 400,000
Remaining Expenditure Capacity -- FC Recommended Budget			$ 200,155
Remaining Expenditure Capacity -- CC Adopted Budget			$ 200,155

Finance Dept recommends leaving a $200,000 margin for future readjustments to ensure the City qualifies for the 2028 ERIP payment. The adopted budget leaves $155 in expenditure room above the recommended limit.

						General & Library Fund			Other Funds	
#	**Agency**	**Amendment Title**	**Sponsor(s)**	**Co-Sponsor(s)**	**Action**	**General Purpose Revenue**	**Net Expense**	**TOAH Impact**	**Revenue**	**Expense**
1	General Fund Revenues	Reduce property tax levy through allocation of fund balance	Rhodes-Conway; Madison	O'Brien	Adopt	$ -	$ -	$ -	$ -	$ -
2	Sewer	MMSD Treatment Charges	Guequierre; Lankella		Adopt	$ -	$ -	$ -	$ -	$ -

2027 Operating Budget: Common Council Amendments

Agency:	General Fund Revenues	Amendment #:	1
Amendment Title:	Reduce property tax levy through allocation of fund balance	Page #:	44
Sponsors:	Rhodes-Conway; Madison	Action:	Adopt
Co-Sponsor(s):	O'Brien	Vote:	Moved by Madison, seconded by O'Brien. Adopted by voice vote – unanimous.

Amendment Narrative

Brief description of what the amendment will do (e.g. add/remove funding, create position)

Reduce the property tax levy by $199,845 by allocating that amount from the general fund unassigned balance ("fund balance") to cover additional expenses added through Finance Committee amendments.

Amendment by Funding Source

Amounts below reflect the change from the executive budget, not the total amount.

	General Fund	Other Funds
GF Revenue*	*$0*	*$0*
Agency Revenue	*$0*	*$0*
Agency Expenditures	*$0*	*$0*
Total	***$0***	***$0***

**Note, the proposed changes are within the GF revenue major, resulting in a $0 change in the summary tables.*

Amendment by Major Expenditure/ Revenue Category

	General Fund	Other Funds
GF Revenue*	*$0*	*$0*
Agency Revenue	*$0*	*$0*
Salaries	*$0*	*$0*
Benefits	*$0*	*$0*
Supplies	*$0*	*$0*
Purchased Services	*$0*	*$0*
Inter-Dept Charges	*$0*	*$0*
Inter-Dept Billings	*$0*	*$0*
Other	*$0*	*$0*
Total	***$0***	***$0***

Ongoing Fiscal Impact

Taxes on the average value home (TOAH):	*-$2.04*
One-Time or Recurring:	*One-Time*
Annualized Cost:	*n/a*

2027 Operating Budget: Common Council Amendments

Agency:	General Fund Revenues	Amendment #:	1
Amendment Title:	Reduce property tax levy through allocation of fund balance	Page #:	44
Sponsors:	Rhodes-Conway; Madison	Action:	Adopt
Co-Sponsor(s):	O'Brien	Vote:	Moved by Madison, seconded by O'Brien. Adopted by voice vote – unanimous.

Finance Department Analysis

Additional information/ context on the amendment and the potential impact if adopted.

The executive operating budget allocated $6.6 million from the general fund unassigned balance ("fund balance") to reduce the property tax levy. By allocating this amount, the City reached the maximum allowable carryover of unused levy limit authority under state law (approximately $5.1 million, or 1.5% of the prior year property tax levy). The tax increase on the average value home under the executive budget was $90.04 (2.67%).

On October 26, 2026, the Finance Committee proposed and adopted six amendments to the executive operating budget. These amendments added $199,845 in general fund expenditures. The summary table of the amendment packet, attached to Legistar 94621, reflected an increase in the property tax levy of $199,845 to fund the increased expenses. These increased expenditures brought total expenditures to the level recommended by the Finance Department to qualify for state aid under the Expenditure Restraint Incentive Program (ERIP). Property taxes would increase by an additional $2.04 after incorporating the Finance Committee amendments, for a total of $92.08.

This Common Council amendment would change the funding source for Finance Committee amendments from property tax levy to fund balance. This would keep the total property tax levy amount the same as the executive budget ($337,902,281). This would lower the taxes on the average value home by $2.04 compared to the Finance Committee recommended budget.

The total amount of fund balance applied would increase from $6,639,504 to $6,839,349. The City's 5-year operating budget plan includes utilizing $79 million in fund balance over five years. The City will be able to meet its long-range fund balance targets with the additional use of fund balance in 2027. Fund balance is a one-time source of funding, so on-going costs will have to be covered by other general fund revenues in future years.

Changing the funding source for Finance Committee amendments does not create additional budget capacity under the Expenditure Restraint Incentive Program (ERIP). The executive budget, as amended by Finance Committee, leaves $200,155 in expenditure room. The Finance Department recommends leaving a $200,000 margin for future readjustments to ensure the City remains eligible for the 2028 ERIP payment.

2027 Operating Budget: Common Council Amendments

Agency:	Sewer	Amendment #:	2
Amendment Title:	Madison Metropolitan Sewerage District (MMSD) Treatment Charges	Page #:	506
Sponsors:	Guequierre; Lankella	Action:	Adopt
Co-Sponsor(s):		Vote:	Moved by Guequierre, seconded by Figueroa Cole. Adopted by voice vote – unanimous.

Amendment Narrative

Brief description of what the amendment will do (e.g. add/remove funding, create position)

Increase purchased services by $1,377,537 to reflect higher than planned MMSD treatment charges. Use the Sewer Utility reserves to offset the increased charges for services and maintain the same rate applied to customers by decreasing the utility's contingent reserve by $1,377,537. Overall, these one-time adjustments to the budget are net neutral.

Amendment by Funding Source

Amounts below reflect the change from the executive budget, not the total amount.

	General Fund	Other Funds
GF Revenue	*$0*	*$0*
Agency Revenue	*$0*	*$0*
Agency Expenditures	*$0*	*$0*
Total	*$0*	*$0*

Amendment by Major Expenditure/ Revenue Category

	General Fund	Other Funds
GF Revenue	*$0*	*$0*
Agency Revenue	*$0*	*$0*
Salaries	*$0*	*$0*
Benefits	*$0*	*$0*
Supplies	*$0*	*$0*
Purchased Services	*$0*	*$1,377,537*
Inter-Dept Charges	*$0*	*$0*
Inter-Dept Billings	*$0*	*$0*
Other	*$0*	*-$1,377,537*
Total	*$0*	*$0*

Ongoing Fiscal Impact

Taxes on the average value home (TOAH):	*$0*

2027 Operating Budget: Common Council Amendments

Agency:	Sewer	Amendment #:	2
Amendment Title:	Madison Metropolitan Sewerage District (MMSD) Treatment Charges	Page #:	506
Sponsors:	Guequierre; Lankella	Action:	Adopt
Co-Sponsor(s):		Vote:	Moved by Guequierre, seconded by Figueroa Cole. Adopted by voice vote – unanimous.

One-Time or Recurring:	*One-Time*
Annualized Cost:	*N/A*

Finance Department Analysis

Additional information/ context on the amendment and the potential impact if adopted.

The treatment charges from Madison Metropolitan Sewerage District (MMSD) included in the proposed Sewer Utility operating budget were estimated based on historical charges and observed trends. Following MMSD's 2027 budget approval on October 22, the treatment charges to the City were recalculated and came in higher than anticipated.

This amendment proposes a one-time budget increase for treatment charges based upon the updated calculation from MMSD and utilizes reserves to cover the gap between the original estimate and the updated costs. No additional rate increases are proposed with this amendment.