



2022

Executive Budget

Operating Budget: Executive Summary



Satya Rhodes-Conway
Mayor

Executive Summary: 2022 Operating Budget

Table of Contents

Mayor’s Message	2
Operating Budget Overview & Major Changes.....	6
Balancing the Budget.....	7
Proposed Expenditure Reductions.....	8
Town of Madison Investments	10
Supplemental Requests	11
American Rescue Act Plan (ARPA)	12
Non-General Fund Position Changes	12
Revenue Summary.....	14
Expenditure Summary	16

Note: The Executive Summary was updated February 3, 2022 to correct an error in the “All Funds” budget total on page 6 and update a corresponding graph.



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2022 Executive Operating Budget

Over the past year, our city – indeed, our world – has been faced with enormous difficulty and uncertainty. The COVID-19 pandemic, despite our hopes, is not over, and its economic and social impacts still reverberate through our society. National trends of gun violence, reckless driving, and rancorous politics threaten to swamp our local efforts.

Despite all this, there is reason for hope. The vaccination rates in Madison are among the best in the nation, and the measures we've taken to protect our community have held our case rates below those in other places. Our economy has begun to recover and our unemployment rate is low. Friendly administrations at the state and federal level have delivered unprecedented aid to our nation's cities allowing us to get on the path to recovery sooner.

Today I am introducing an operating budget that outlines a path forward on many of the challenges facing our community. I remain committed to investing in public health and public safety, to creating housing choices for all, to building resilience to climate change, and to centering racial equity and social justice. My 2022 Executive Operating Budget makes investments in these areas by utilizing federal American Rescue Plan Act (ARPA) funding and focusing our own resources better, and it does so with the smallest increase in property taxes (1.1 percent) in 20 years.

This budget also begins to address the attachment of the Town of Madison to the City. On October 31, 2022, the Town will cease to exist and most of its residents, land area and property value will become a part of our City. We have known about this change for nearly 20 years and began planning in earnest over the past two years to extend City services and reach out to our new residents. The 2022 budget includes \$1.4 million to begin extending services to around 5,000 people who will soon reside in the City of Madison.

We began our 2022 budget process staring down an \$18 million deficit. Over half of that amount was associated with one-time measures used to balance the 2021 budget in the face of the severe revenue losses due to the impact of the pandemic on our local economy, including use of \$8 million from our rainy day fund. While the economic picture is improving, we continue to experience depressed revenues compared to pre-pandemic levels. In addition, the persistent structural gap between on-going service costs and limited revenue growth imposed by state mandates remains a challenge.

The Executive 2022 Operating Budget continues to deliver on Madison's service promise to provide excellent public services, while focusing on four key areas:

Equitable Service to New Residents from the Town of Madison

As the City prepares for the attachment of the Town of Madison in October of 2022, we are already gearing up to ensure we can provide high quality and equitable service to the approximately 5,000 people who will become city residents. We welcome these new residents who are more diverse than our current populations - over 27 percent of the town's population is Hispanic/Latinx, compared to just under 7 percent in the city. The town's Black population is over 13 percent, compared to 7.3 percent in the City.

To ensure that new residents from the Town receive the City's high standard of service, my 2022 budget includes funding to add staff and supplies in numerous agencies.

- The Streets Division budget includes four new staff positions to ensure we can plow snow, sweep streets, collect garbage and leaves, and make repairs on and along the streets that will be added to the City.
- The Clerk's Office budget includes staffing and funding to establish polling places, run elections and offer education and assistance to our new City voters.
- Eight officers were added to the Police Department to ensure service and response times parallel to the rest of the city, and ten new firefighters are funded in the budget to reduce overtime and help ensure comparable emergency response times throughout the city, including the new areas from the Town of Madison.
- The Parks Division budget includes funding for deferred maintenance in Town parks and removing diseased ash trees.
- The Department of Civil Rights budget includes funding for a new Community Connector position to expand our outreach to, engagement with, and assistance to Spanish-speaking residents, including those joining the City from the Town.
- And many other City agencies including our Water, Stormwater, and Sewer Utilities are also prepared to ensure equitable and quality service to the new City residents.

My budget also continues to fund numerous community assistance programs that will be newly available to residents from the Town when they join the city, including things like neighborhood grants, housing rehabilitation assistance, childcare assistance, property tax assistance for seniors, and more.

Innovation in Violence Prevention and Public Safety

My budget continues to prioritize innovative approaches to public safety and violence prevention. One year ago, we provided funding for a new program to reimagine emergency response for mental health-related calls. Today, our CARES (Community Alternative Response Emergency Services) van is on the streets in Madison's downtown responding to nonviolent 911 calls. This team of a paramedic and a crisis worker treats behavioral health emergencies as the medical issues they are, centering patient needs and patient care and linking them to treatment options, diverting people from emergency rooms and jails. Soon Public Health Madison and Dane County will be hiring a program coordinator to oversee the strategic growth of this new emergency service. In the budget, I am dedicating \$600,000 to continue this program and evaluate its impacts, with an eye towards expansion in future years.

We also provide funds to assist the Madison Police Department in its goal to be a leader in public service, accountability, and innovation. My budget continues full funding for an Independent Police Monitor and the Police Civilian Oversight Board. The Board will be hiring an independent monitor soon, and we look forward to supporting

their efforts to advance the agenda laid out by the Madison Police Department Policy and Procedure Review Ad Hoc Committee report and to supporting other initiatives in this area.

At the request of our new police chief, the budget also includes a new Police Reform and Innovation Director position within MPD. We have high hopes for what can be achieved with more focused attention on data to develop strategic plans, workload efficiency and optimal organizational performance. We can find ways to balance police presence in neighborhoods while increasing violence prevention efforts where and when they are needed the most. We can find ways to better understand disparities and identify ways to achieve more equitable outcomes. This position will use data-driven methods to create new strategies for exemplary policing, police reform, reducing disparities, and violence prevention.

In addition, my budget continues to place a heavy focus on a public health approach to violence prevention. Leveraging federal ARPA funding, I have included over \$1 million for violence prevention efforts that implement the Madison Dane County Roadmap to Reducing Violence. The City conducts this work as part of a Violence Prevention Coalition of grassroots organizations, government agencies, and community members that puts the Roadmap into action, addressing a full spectrum of approaches, including stopping violence before it occurs, intervening and preventing further reengagement in violence, and supporting individual and community healing following violence.

Thanks to federal ARPA funds, we were able to greatly enhance funding for youth employment and leadership training run by community organizations. This year we dedicated \$1.6 million to these programs. Our youth deserve quality programs run by people they can build trusting relationships with while learning important skills. This is even more important now, given the disruption to education and employment caused by the COVID-19 pandemic.

Affordable Housing

As I have done in my last two budgets, I have continued to prioritize and increase the City's efforts on affordable housing. Funding for affordable housing in the Executive Operating Budget is in addition to \$21.6 million dedicated to housing issues in my Executive Capital Budget. The housing issues we face in our city are multi-faceted. We face affordability challenges related to the pressures of population growth, we have thousands of residents whose livelihoods were impacted by COVID and who have struggled to pay the rent, and we need a diversity of housing solutions for residents experiencing homelessness. In this budget and with federal COVID-related funding, I have dedicated funds that addresses various aspects of our community's housing needs – from affordable housing to eviction prevention to addressing issues of homelessness.

In the 2022 Executive Operating Budget, I have dedicated \$6,590,000 to help expand low-cost housing choices. The budget provides more funding to help Madison residents purchase a home, stay in their home, make needed home repairs, and take on energy-saving retrofits. Included is a new \$1 million new program that reduces barriers to renting for tenants that may otherwise be screened out of the process due to damage reports or low credit scores.

In 2021, federal protections against evictions related to the pandemic came to an end. To help prevent evictions, I have dedicated funding to expand our Eviction Defense Program. Services under this program will be provided through collaborations between the Tenant Resource Center, the UW Madison Neighborhood Law Clinic, Legal Action of Wisconsin and Community Justice Inc., and will be available to qualifying people in Dane County who have a scheduled eviction trial. These services will be available to all households regardless of immigration status.

I have also dedicated \$2 million to support operations associated with homelessness services.

Growing Our Own Diverse Workforce

While this budget works to advance equity in our community, it also looks inward at diversity and equity within the City's workforce, and expands on successful programs for diversifying our workforce. For the past several years, the Engineering Division has operated the Green Power solar trainee program. The program focuses on hiring trainees from groups who are under-represented in the trades, and teaches them to install solar panels, perform lighting retrofits and more. The original vision was to support these trainees to enter a career in the solar field while adding renewable energy to our rooftops. What we've found is that many are attracted to a career in City government. We've hire them into our ranks, formalized career pathways for their continued growth, and we've seen progress diversifying our public works in the process.

With that success, we are doubling down on this program model – both within Green Power and beyond. Within the Green Power program, my 2022 budget will add an electrician, another trainee position and a limited term position to continue improving the energy performance of our City buildings. But we aren't stopping there. Our Engineering Division will create an infrastructure employment and training program to bring our annual sidewalk installation and repair program in-house instead of contracting it out.

In the Parks Division, we are using the same approach with a new conservation trainee position. With this position, we will aim to grow an ecological knowledgebase and professional land management and planning skills in trainees who are underrepresented in the field. The skills developed in this position will offer a career pathway to the higher level Conservation Technician position.

We are also developing a new Streets trainee program as an outgrowth of the Division's longtime seasonal laborer positions. As the labor market has evolved, we find ourselves training our seasonal staff only to have them move on to the private sector. This program will allow Streets to identify individuals with great promise who are not quite ready to move into our Heavy Equipment operations and offer them a career path with the City based on mutual investment. Selected individuals who have worked successfully as seasonal employees will have the opportunity to not only earn a Commercial Driver's License, but also receive valuable on-the-job year-round training including snow removal responsibilities.

And I am proud to support the continuation of the high school apprenticeship program our Fleet Department, initiated in partnership with Madison Metropolitan School District in 2018. Thirteen students been involved to date, working with experienced mechanics, parts technicians, and administrative staff. The program allows younger residents the opportunity to experience City employment while learning valuable skills.

My budget also invests in the City's workforce by providing \$1.5 million for a 1% pay increase to help close the wage parity gap for our general municipal employees and removing the residency requirements that have reduced longevity increases for some of our employees.

My 2022 Executive Operating Budget, along with the 2022 Executive Capital Budget, make substantial investments in housing, sustainability, equity, community services, and our workforce. While we continue to face challenging times with a pandemic and the fallout it has created in our community, I believe the priorities of this budget will help us to continue building back a stronger, more equitable and more resilient city.

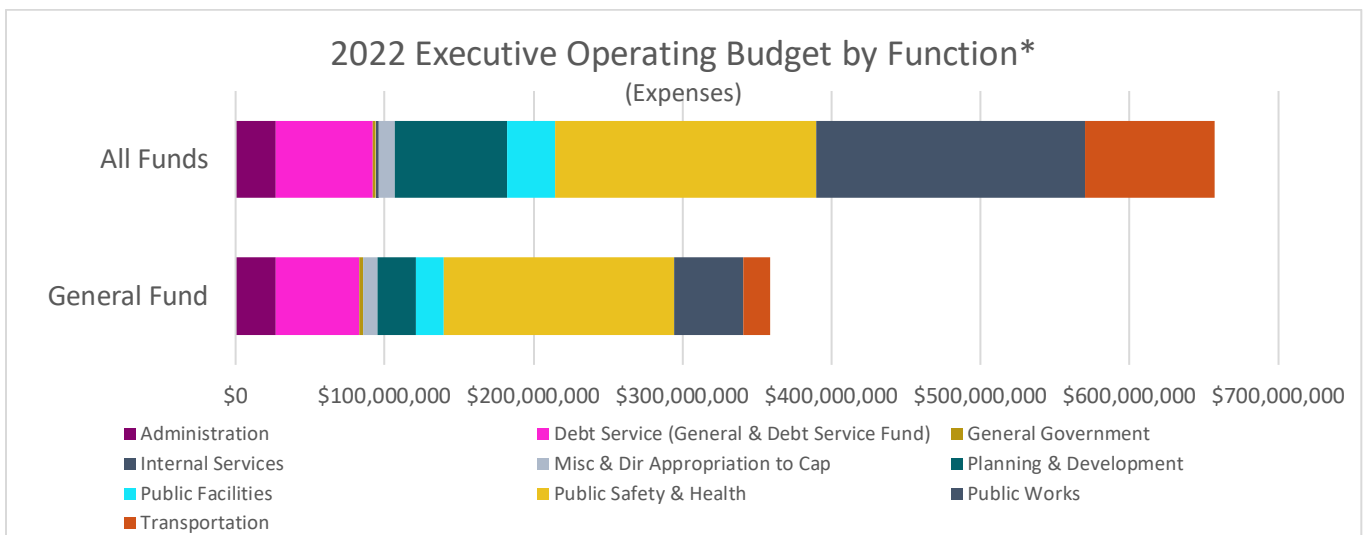
Respectfully Submitted,

Mayor Satya Rhodes-Conway

Operating Budget Overview

The City of Madison’s Operating Budget is a planning and financial document that pays for daily services for City residents. The Operating Budget appropriates funding to City Agencies to pay for expenses, including but not limited to staff salaries, funding community-based organizations that deliver services on behalf of the City, and other costs such as supplies and equipment. Services included in the operating budget include library and park programs, job training and childcare services, garbage and recycling collection, and public health and public safety.

The Operating Budget is comprised of many types of funds – general and library funds; utilities (sewer, storm water, parking); tax increment financing (TIFs); and others. The **general and library funds** account for approximately half of the City’s total expenses and are the basis of the local property tax levy. In the 2022 Executive Operating Budget, the total expenses from all funds is \$657.3 million*. The total expenses from general and library funds is \$358.6 million. The following graph shows expenses by function.



*The Executive Summary was updated on February 2, 2022 to correct the all funds budget total and graph. The original summary stated the all funds budget totaled \$771.8m. This overstated the total budget by double counting certain funds.

Major Changes: 2021 to 2022

The 2022 Executive Operating Budget proposes **\$358,622,967** in general and library fund expenditures. This is a **\$9.1 million (or 2.6%) increase** from the 2021 Adopted Budget. A few major changes are highlighted below. In addition to these highlights, the following pages include details on agency reductions and supplemental requests, and the executive operating book includes additional information by agency.

Changes between 2021 Adopted and 2022 Executive Operating Budgets General and Library Fund Expenditures Only	
Expenditure Increases	Expenditure Decreases
<ul style="list-style-type: none"> Includes a 1% cost of living adjustment for general municipal employees (GMEs) (\$1.5m) Eliminates a furlough program GMEs included in the 2021 adopted budget (\$1.2m) Personnel and non-personnel costs for the Town of Madison attachment (\$1.4m) Supplemental agency requests (\$1.7m) 	<ul style="list-style-type: none"> Agency revenue adjustments (-\$1.7m) Agency reductions in personnel and non-personnel lines (-\$976k) Technical adjustments due to position allocations (-\$500k)

Balancing the Budget

The annual operating budget must be balanced, meaning expenses cannot exceed revenues. This year’s budget reflects two ongoing challenges in achieving a balanced budget. First, the continued health and economic impacts of the COVID-19 pandemic have significantly impacted revenues. In 2021, the City used an unprecedented \$8.0 million in fund balance, or “rainy day” funds, to balance the budget, in addition to applying reserves from other enterprise funds. The use of fund balance was a one-time measure; funds used in 2021 must be restored for prudent financial management. The 2022 Executive Operating Budget avoids further use of fund balance by allocating one-time federal funds from the state and local allocation of American Rescue Plan Act (ARPA) funds to support city services. The 2021 mid-year and year-end appropriation resolutions include measures to reduce the use of the “rainy day” fund from \$8 million in the adopted 2021 budget to \$5.5 million by the end of 2021, through use of ARPA funds for already budgeted government services costs and transfer to the General Fund of a portion of the City’s share of the \$30 million surplus in recently closed Tax Increment District (TID) 25.

The second challenge is an ongoing structural deficit. As the City continues to grow and services expand to meet community needs, the year-over-year costs of providing core services increases. At the same time that expenses increase, the state legislature puts strict limits on City revenue. In addition, the State Aid revenue to cities has not kept pace with costs. As a result, expenses are increasing faster than revenues, creating a structural gap.

To address these challenges, the 2022 Executive Operating Budget includes 1) temporary and permanent reductions to agency budgets that were carefully considered to have the least impact on existing services, 2) strategic use of ARPA funds to balance the budget and continue community investments to help residents and the economy recover from the pandemic, and 3) new investments in priority areas to address core services related to a growing city. These changes are outlined in the following pages.

Closing the Budget Gap with One-Time Funding

At the start of the 2022 budget process, the City had a projected deficit of approximately \$18 million due to pandemic effects and the structural deficit described above. These challenges will persist in future years – a preliminary outlook of 2023 projects a continued gap of \$18 million to \$20 million. In 2021, the City relied on a one-time use of fund balance. To avoid further use of fund balance, address the deficit in 2022, and begin planning for 2023, the Executive Operating Budget proposes using funding from the local component of American Rescue Plan Act (ARPA) to balance the budget. Although the executive budget only appropriates funding for 2022, the following tables reflects appropriations from 2021 and outlines a plan across 2022 and 2023.

One Time Measures to Close Budget Gaps				
(in millions)				
Funding Source	2021 Adopted*	2022 Executive	2023 Available	Total: 2021-2023
Fund Balance	\$8.0			\$8.0
ARPA	\$6.9	\$13.1	\$4.4	\$24.4
TID 25 Proceeds	\$5.4		\$5.1	\$10.5

**2021 adopted includes funds appropriated in the 2021 Mid-Year appropriation, which allocated \$5.9 million of ARPA funds and \$5.4 million in TID 25 proceeds. An additional \$1 million of ARPA funds is anticipated to be appropriated in the Year End Appropriation, which is also included in the 2021 Adopted amount.*

Proposed Expenditure Reductions (General and Library Funds)

The Executive Budget proposes almost \$3.1 million in expense reductions through a combination of agency revenue adjustments (\$1.7 million) and reductions to agency expenses (\$1.4 million). Of the agency expense reductions, a majority of cost savings are achieved through reductions in personnel (\$482,000 in one-time personnel savings and \$551,000 in ongoing personnel savings), with the remainder in non-personnel lines (\$80,000 in one-time non-personnel savings and \$274,000 in ongoing non-personnel savings). The tables and graph below show a breakdown of savings by agency.

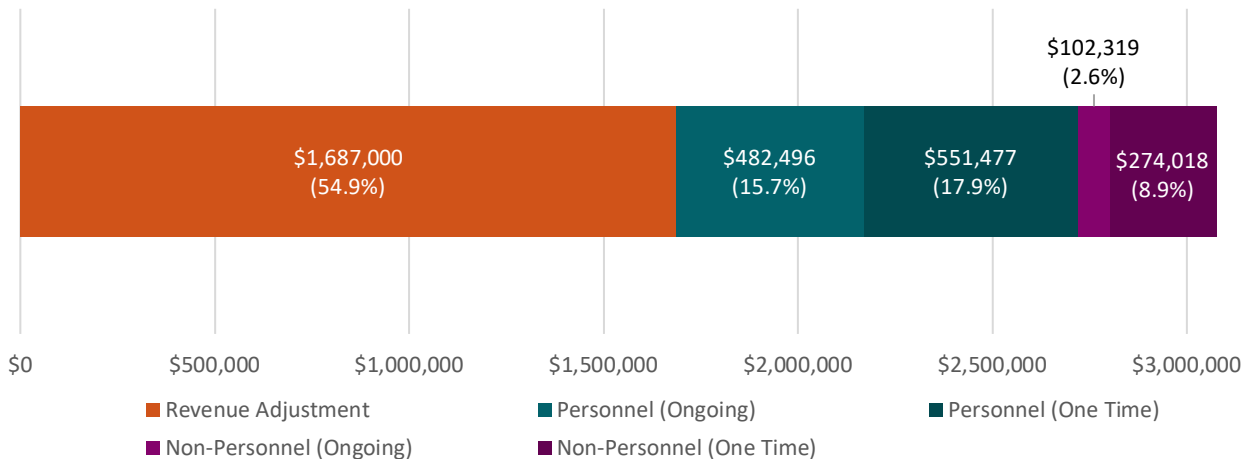
Proposed Expenditure Reductions General and Library Funds			
Agency Revenue Adjustments		One-time or Ongoing	SUB TOTAL: (\$1,687,000)
Fire	<ul style="list-style-type: none"> Elevator Inspections: Increase the number of elevator inspections completed by hiring 1 additional elevator code enforcement officer. 	Ongoing	(187,000)
Streets	<ul style="list-style-type: none"> Sorting Fee: Establish a fee to cover a portion of costs related to increased costs of recycling and associated contracts and labor. 	Ongoing	(1,500,000)
Personnel Adjustments		One-time or Ongoing	SUB TOTAL: (\$975,973)
Building Inspection	<ul style="list-style-type: none"> Delay filling two code enforcement officer positions for full year 	One-time	(223,819)
Clerk	<ul style="list-style-type: none"> Reduce non-essential hourly election workers at select polling locations 	One-time	(40,000)
Economic Development Division	<ul style="list-style-type: none"> Delay filling 1 Real Estate Specialist position for full year Reallocate 10% of EDD Director's time to Tax Increment Districts in capital budget 	One-time Ongoing	(78,218) (13,500)
Finance	<ul style="list-style-type: none"> Reclassify Document Services Specialist 1 to Document Services Specialist 1 	Ongoing	(19,000)
Information Technology	<ul style="list-style-type: none"> Under fill three staff vacant positions by hiring at an entry level rather than the allocated position vacancy Under fill management position and hold vacant for 6 months 	One-time	(65,368)
Mayor	<ul style="list-style-type: none"> Reallocate a portion of sustainability staff time to capital budget 	Ongoing	(58,000)
Parks	<ul style="list-style-type: none"> Reallocate landscape architect position to capital budget Reduce hourly wages for Parks Maintenance Reduce hourly wages and overtime for Olbrich Botanical Gardens Increase salary savings to reflect higher turnover 	Ongoing	(107,900)
Planning	<ul style="list-style-type: none"> Underfill vacant position 	One-time	(9,775)
Police	<ul style="list-style-type: none"> Eliminate Social Media/ Crimestoppers Officer position Note: this position will be civilianized (see table on supplemental requests), but will result in a net cost savings for the City 	Ongoing	(92,300)
Streets	<ul style="list-style-type: none"> Reduce seasonal & hourly staffing for solid waste (including refuse collection, large items, and transfer station scale hours); leaf collection; and drop-off sites 	Ongoing	(73,800)
Traffic Engineering	<ul style="list-style-type: none"> Delay filling 1 Communication Tech position for full year Increase time to capital 	One-time Ongoing	(75,091) (60,000)

Proposed Expenditure Reductions, Continued

General and Library Funds

Non-Personnel Adjustments		One-time or Ongoing	SUB TOTAL: (\$376,337)
Attorney	<ul style="list-style-type: none"> Reduce various supplies and purchased services 	One-time	(10,000)
Civil Rights	<ul style="list-style-type: none"> Reduce purchased services and memberships 	One-time	(7,192)
Clerk	<ul style="list-style-type: none"> Reduce advertising Use City fleet services to transport election equipment instead of a third party contract 	One-time	(38,127)
Economic Development Division	<ul style="list-style-type: none"> Reduce purchased services for MadREP and the Food Policy Council based on prior commitments and actual expenditures 	Ongoing	(17,000)
Engineering	<ul style="list-style-type: none"> Convert plantings at some medians to lower maintenance options 	Ongoing	(78,578)
Human Resources	<ul style="list-style-type: none"> Reduce consultant services 	One-time	(25,000)
	<ul style="list-style-type: none"> Reduce funding to the Medical Services budget line 	Ongoing	(10,000)
Library	<ul style="list-style-type: none"> Reduce various supply and services budgets to reflect ongoing changes in service delivery 	Ongoing	(97,964)
Municipal Court	<ul style="list-style-type: none"> Reduce purchased services 	Ongoing	(11,889)
Parks	<ul style="list-style-type: none"> Reduce various supplies and purchased services 	Ongoing	(27,012)
Planning	<ul style="list-style-type: none"> Removing budget for the Mayor’s Neighborhood Conference and reducing budget for Placemaking to align with actual expenses Reduce City contribution to Downtown Business Improvement District (BID) by 5% and move funding to Economic Development Division budget 	Ongoing	(15,000)
Police	<ul style="list-style-type: none"> Reduce software budget and eliminate the ProTraining budget, contingent on officers receiving ICAT training 	One-time	(95,000)
Traffic Engineering	<ul style="list-style-type: none"> Eliminate printing of paper bicycle maps 	Ongoing	(3,800)

Summary of 2022 Expenditure Reductions and Revenue Adjustments by Type



Proposed Increases: Town of Madison Final Attachment

At the end of October 2022, the City of Madison will absorb 90% of the remaining Town of Madison land and 79% of the population, and the rest of the Town will be attached to the City of Fitchburg. The 2022 Operating Budget includes \$1.4 million in funding to support key costs associated with providing services to the Town of Madison for the remainder of Calendar Year 2022 following the Final Attachment.

Proposed Town of Madison Costs General and Library Funds			
Personnel Costs		One-time or Ongoing	SUB TOTAL: \$714,395
Assessor	<ul style="list-style-type: none"> Add positions needed to do a full reassessment of Town parcels; 2022 funding for 6 months 	Ongoing	79,495
Police	<ul style="list-style-type: none"> Add positions needed to ensure equitable coverage and parallel response times for Town of Madison residents. Funding assumes mid-year start date for a police academy 	Ongoing	510,000
Streets	<ul style="list-style-type: none"> Add positions needed to expand refuse and recycling collection, snow plowing, and street repair services to Town residents 	Ongoing	124,900
Non-Personnel Costs		One-time or Ongoing	SUB TOTAL: \$678,000
Direct Appropriations	<ul style="list-style-type: none"> Centrally budgeted funds to cover transition costs related to the annexation, including severance payments to Town employees, limited term employees (LTE) transition staff, and auditing 	One-time	500,000
Finance	<ul style="list-style-type: none"> One-time printing and mailing costs for generating tax bills for Town residents 	One-time	4,000
Parks	<ul style="list-style-type: none"> Deferred maintenance for parks, including updating signage and removing diseased ash trees 	One-time	11,000
Planning	<ul style="list-style-type: none"> Funding for Town of Madison communications activities 	One-time	24,000
Police	<ul style="list-style-type: none"> One-time property and records costs for equipment and supplies needed to take one Town records management 	One-time	118,000
	<ul style="list-style-type: none"> Ongoing costs related to maintenance costs for property and records management 	Ongoing	4,800

Proposed Increases: Supplemental Requests

The Executive Operating Budget includes almost \$1.7 million in supplemental requests to address key City priorities. These requests include adding permanent staff to advance equity initiatives and diversify staff through trainee programs, addressing operational challenges such as overtime, enhancing public safety, and creating efficiencies in internal processes.

Supplemental Requests General and Library Funds			
Personnel Costs		One-time or Ongoing	SUB TOTAL: \$1,624,966
Civil Rights	<ul style="list-style-type: none"> Hire permanent, 0.6 FTE bilingual and bicultural Community Connector position to administer language access services and connect residents with City programs, services, and resources 	Ongoing	47,234
Fire	<ul style="list-style-type: none"> Hire 1.0 FTE Elevator Code Enforcement Officer (\$87k) Hire 10.0 FTE firefighters to address current issues with staffing levels and overtime 	Ongoing	1,087,000
Parks	<ul style="list-style-type: none"> Create conservation tech trainee program to create career pathways and diversify staff 	Ongoing	67,443
PCED Office of the Director	<ul style="list-style-type: none"> Recreate a vacant administrative clerk position as a public information officer; increase amount shows difference in salaries 	Ongoing	20,489
Police	<ul style="list-style-type: none"> Upgrade two detective positions to a (1) Detective Sergeant for Professional Standards & Internal Affairs, add (1) Sergeant for Gang and Neighborhood Crime Abatement (\$21,000 net increase) Add Civilian Police Reform and Innovation Director to improve data collection and analysis supporting data-informed decision making, violence reduction and crime prevention (\$121,000) Add Civilian Community Relations Specialist, civilianizing Social Media/ Crimestoppers officer position (see table on expenditure reductions) (\$78,300) 	Ongoing	220,300
Streets	<ul style="list-style-type: none"> Create a streets division trainee program to create career pathways and diversify staff; position partly funded by reducing hourly positions 	Ongoing	49,000
Traffic Engineering	<ul style="list-style-type: none"> Hire 1.0 FTE Electrical Operations Supervisor to oversee electrical field staff 	Ongoing	\$106,000
Transportation	<ul style="list-style-type: none"> Hire 1.0 FTE Engineer 3 position to support transportation planning; position is partly funded by reallocating existing staff time to the capital budget Hire an hourly code enforcement officer to administer proposed Transportation Demand Management (TDM) program (contingent on passage of the TDM ordinance) 	Ongoing	27,500
Non-Personnel Costs		One-time or Ongoing	SUBTOTAL: \$59,000
Human Resources	<ul style="list-style-type: none"> Purchase software to create efficiencies in employee onboarding system 	One-time	50,000
Office of the Independent Monitor	<ul style="list-style-type: none"> Increase stipends for the Police Civilian Oversight Board to be in line with the ordinance Increase childcare reimbursement for attending board meetings 	Ongoing	8,000
Planning	<ul style="list-style-type: none"> Increase City match to Metropolitan Planning Organization to fully leverage federal funding 	Ongoing	1,000

American Rescue Plan Act (ARPA)

The City of Madison will receive \$47.2 million of federal funding through the State and Local Recovery Funds component of the American Rescue Plan Act (ARPA) to recover from the negative public health and economic impacts caused by the COVID-19 pandemic. The City has adopted a plan to use ARPA funds to address critical community issues, support an equitable recovery, and continue to provide government services. The following tables outlines the operating investments included in the 2022 Executive Operating Budget.

American Rescue Plan Act (ARPA) Investments Other Grants Fund		
Priority Area	Project Name	2022 Allocation SUBTOTAL: \$17,865,000
Affordable Housing	Renter’s Choice: Reducing Barriers to Renting	1,000,000
Emerging Needs	Healthy Aging Education and Engagement	50,000
	PFAS Education, Outreach and Coordination	50,000
Homelessness	Endowment for homelessness operating funds	2,000,000
Violence Prevention and Youth Engagement	Summer Youth Employment - Summer 2022	650,000
	PHMDC Violence Prevention Initiatives	1,040,000
Government Services	Replacing revenues lost due to the economic effects of the pandemic in to continue providing government services	13,075,000

Position Changes in Non-General or Library Fund Agencies

The Executive Operating Budget includes investments and position changes in non-general and library fund agencies. These funds are listed separately because these do not affect the local property tax levy. In total, the Executive Operating Budget adds 29 net new positions to the City and Public Health Madison Dane County (a joint City-County agency). These positions provide critical investments in public health infrastructure, create career pathways and promote staff diversity through trainee programs, and align staffing to meet current service needs.

Other Position Changes Non-General and Library Funds				
Agency	Description	Fund	# Positions	Amount
Engineering	<ul style="list-style-type: none"> Expand GreenPower program by funding a third crew; 1.0 FTE and two trainees (1.0 LTE and 1.0 hourly) Create Infrastructure Employment & Training Program using GreenPower model to bring annual sidewalk installation and repair program in-house (1 FTE in 2022; 3.0 FTEs and 4 hourly trainees in 2023) Both programs fully funded by capital 	Capital	2.0 FTE 1.0 LTE 1.0 Hourly	267,000
	<ul style="list-style-type: none"> Create 1.0 FTE Conservation Technician to replace a fully time hour Professional Assistant Position; position will be fully funded by Stormwater 	Storm-water	1.0 FTE	58,629
CDA	<ul style="list-style-type: none"> Create new positions for an Info Clerk (2.0 FTE), HCV Specialist (1.0 FTE), and Housing Manager (1.0 FTE); Positions to be added if HUD funding allows 	CDA	4.0 FTE	268,000

Other Position Changes, Continued

Non-General and Library Funds

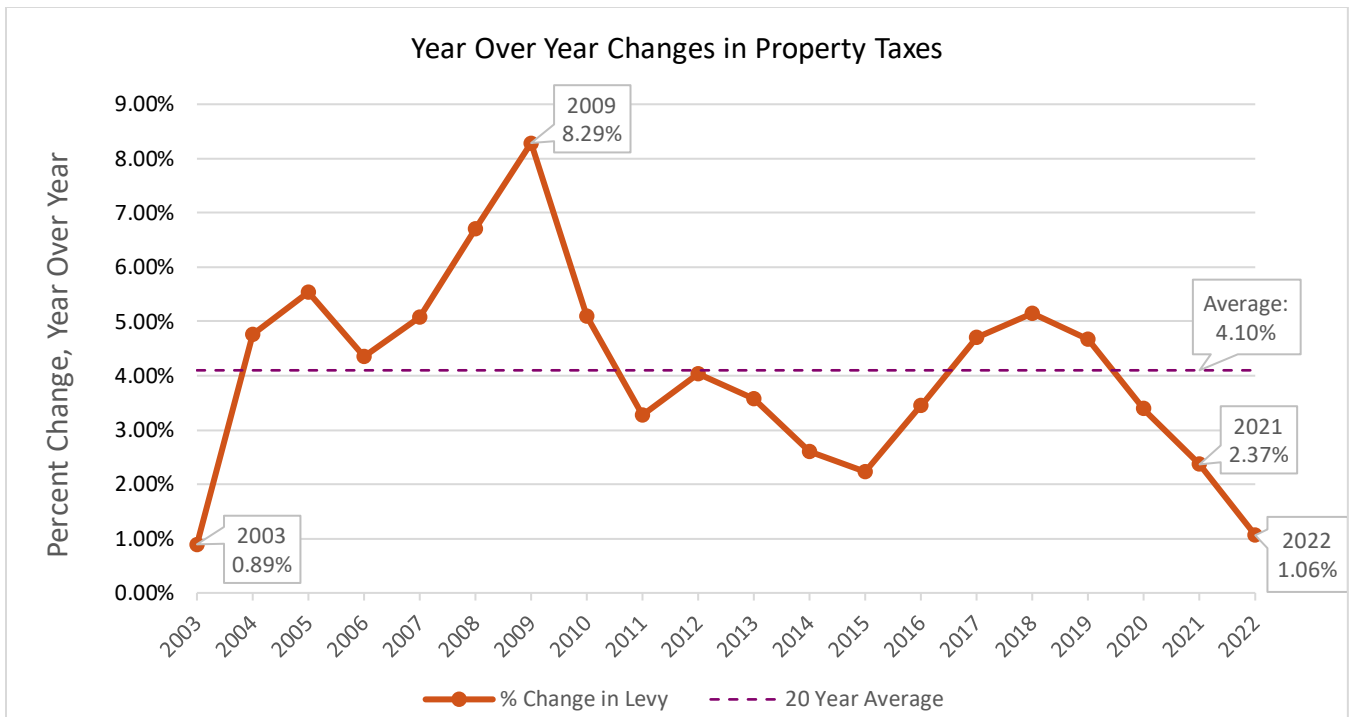
Agency	Description	Fund	# Positions	Amount
Fleet	<ul style="list-style-type: none"> • Reductions: Remove Welder position (-1.0 FTE) and Parts Room Asst. Position (-1.0 FTE) 	Fleet	-2.0 FTE	(145,660)
	<ul style="list-style-type: none"> • Recreate a vacant Auto Maintenance Worker position as a Fleet Tech 	Fleet	1.0 FTE	13,535
Information Technology	<ul style="list-style-type: none"> • Create a new Digital Media Specialist position (1.0 FTE) to support audiovisual needs that will be funded by the Audiovisual Systems capital program 	Capital	1.0 FTE	75,000
Metro	<ul style="list-style-type: none"> • Reduce bus cleaner positions (-3.0 FTE); these positions were increased in 2021, but the agency has determined it can reduce positions and maintain service levels • Reduced overtime to be achieved by creating additional Transit Service Worker positions to meet workload 	Metro	-3.0 FTE	(295,738)
	<ul style="list-style-type: none"> • Add Data Analyst (1.0 FTE) to coordinate and leverage data from the technology system upgrade • Add Admin Assistant (1.0 FTE) to provide office support • Add Transit Service Workers (2.0 FTE) to properly staff unit and to avoid overtime costs 	Metro	4.0 FTE	284,136
Public Health	<ul style="list-style-type: none"> • Add Public Health Senior Accountant Position (1.0 FTE) and IT Specialist Position (1.0 FTE); Funded by PH fund balance 	Public Health	2.0 FTE	220,000
	<ul style="list-style-type: none"> • Public Health infrastructure interments (pending council approval); In 2022, all positions will be grant funded; After 2022, 3 positions will be funded by fees. 	Public Health	16.0 LTE 3.0 FTE	2,073,000
Parking	<ul style="list-style-type: none"> • Eliminate three vacant part-time cashier positions (1.65 FTE) • Maintain position authority but remove funding for 2.25 FTE part-time cashier positions 	Parking	-1.65 FTE	(222,522)
	<ul style="list-style-type: none"> • Add Accountant 1 (1.0 FTE) by recreating vacant cashier position • Add Admin Clerk (1.0 FTE) to support Parking Enforcement operations 	Parking	2.0 FTE	139,443

Revenue Overview

The Operating Budget is primarily funded by property taxes, which account for approximately 72% of the total General Fund revenues. Other local revenues, such as payments in lieu of tax, charges for services, and license and permit fees, account for 17% of General Fund revenues. Intergovernmental sources, such as federal and state aid, account for the remaining 11%. See pages 8-10 of the [Executive Operating Budget](#) for more details.

Madison’s Property Tax Levy: Lowest Increase in 20 Years

The proposed property tax levy in the Executive Budget is \$258,650,891, or a 1.1% increase from 2021. The increase in 2022 is the lowest increase in property taxes since 2003, and is well below the 20-year average increase of 4.1%.



Levy Limit

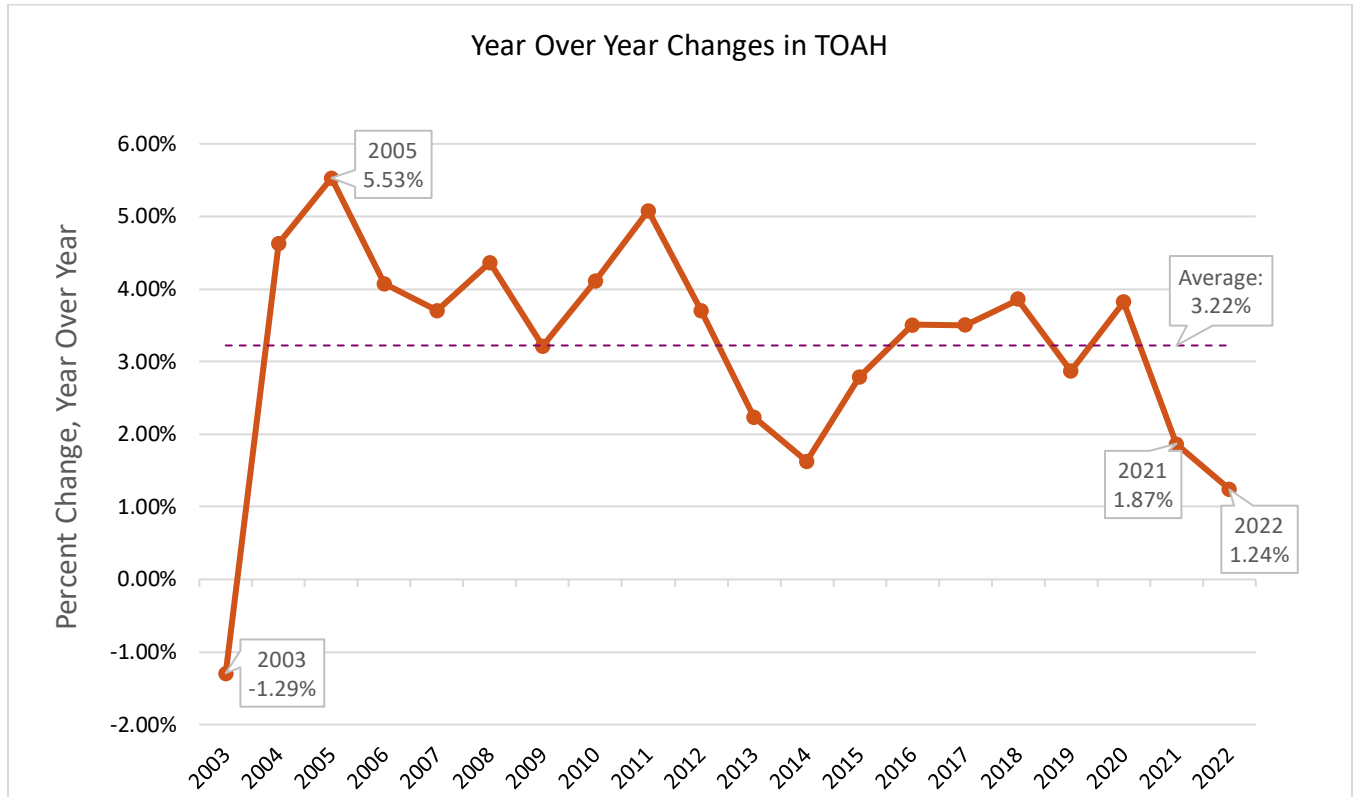
State law limits the maximum allowable increase in the property tax levy. That maximum increase is calculated based on the percentage of the total property value in the City associated with net new construction along with other adjustments. Debt service on general obligation debt is excluded from the levy limit calculation. The levy amount proposed in the Executive budget is \$258,650,891, which is \$260,058 below the maximum allowed.

Property Tax Assessments

The property tax rate is driven by the total assessed value of property in the City of Madison. Current year assessment data is used as the basis for the upcoming budget. As of September 2021, the total net value of assessed property is approximately \$31.3 billion (\$31,300,992,900). Residential real property accounts for a majority of the property in the City (\$20 billion; 61%), followed by commercial real property (\$11.6 billion; 35%). Manufacturing, agriculture, and personal property account for the remaining 3% of property. In total, the net value of assessed property is 6.2% higher than the basis for the 2021 budget. This increase is driven by the continued strength in residential and commercial valuations.

Taxes on the Average Value Home

Based on the proposed levy and current estimates of taxable property value, taxes on the average value home (TOAH) will increase by 1.24%, or \$33.90. The average value home is currently assessed at \$335,200, up from \$315,200, in 2021. This growth continues recent trends in increased residential home assessments.



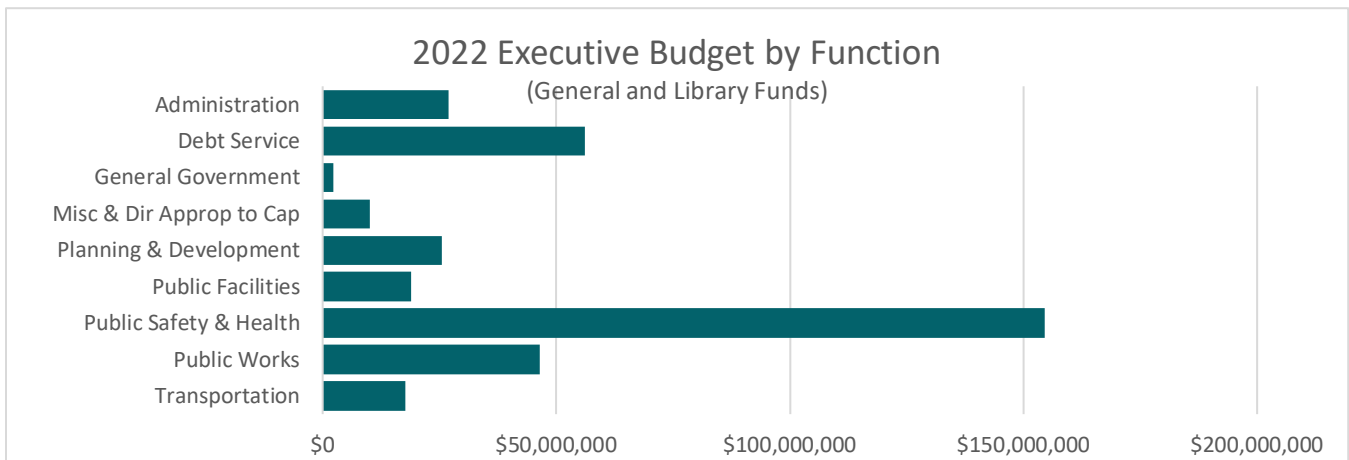
2022 Mill Rate

While the 2021 property tax levy is up 1.1%, the overall increase in the assessed value of property in the City reduces the mill rate (tax rate) by 4.8%. The annual mill rate is calculated by dividing the property tax levy by the total net taxable property value.

Expenditure Overview

The 2022 Executive Operating Budget appropriates \$358.6 million (general and library funds) to City agencies to pay for core services to residents. This is \$9.1 million, or 2.6%, more than the amount appropriated in the 2021 adopted budget. Personnel costs account for the largest share of the operating budget (\$228.6 million, 63.8%), which pays for salaries and benefits of staff that provide direct services to the community and administer core government functions. Debt service, which pays back borrowing for capital projects, accounts for the next largest share of the budget (\$56.1 million, 15.6%). Purchased services, which includes contracts with community based organizations that provide services on behalf of the City, is the third largest category (\$39.0 million, 10.9%). The executive operating book includes a detailed breakdown of expense types by agency. These details can be found in each of the agency sections in the budget overview and line item detail tables.

In addition to organizing the operating budget by expense type, each agency is grouped into a “Function,” or a set of agencies that provide similar services. The table and graph below summarize total expenses by function. A list of agencies in each function can be found on page 12 of the [Executive Operating Budget](#). Debt Service and Miscellaneous & Direct Appropriations to Capital are centrally budgeted functions that address city-wide expenses, including 2022 reserves for compensation increases and Town of Madison transition costs.



2022 Executive Budget by Function General and Library Funds				
	2021 Adopted	2022 Executive	Change	% Change
Administration*	23,541,560	27,021,802	3,480,242	14.78%
Debt Service	55,912,825	56,108,323	195,498	0.35%
General Government	2,231,197	2,281,297	50,100	2.25%
Miscellaneous & Direct Appropriations to Capital	5,991,042	10,071,090	4,080,048	68.10%
Planning & Development	26,282,339	25,564,376	(717,963)	-2.73%
Public Facilities	18,849,564	18,948,759	99,195	0.53%
Public Safety & Health	151,363,015	154,465,273	3,102,258	2.05%
Public Works	47,984,025	46,490,402	(1,493,623)	-3.11%
Transportation	17,343,227	17,671,645	328,418	1.89%
TOTAL	349,498,793	358,622,967	9,124,174	2.61%

*Major changes to the 2022 Administration function includes an additional \$1.3 million for the Clerk to administer two additional elections and \$1.5 million for Information Technology for the full migration to and annual subscription and maintenance for Microsoft 365.