

# Executive Budget User's Guide

---

## Agency Budgets

Agencies were instructed to submit 2019 budget requests that were consistent with the cost to continue current service levels. Cost to continue adjustments included: planned salary adjustments (step and longevity increases), a revised fleet rate, increased water rates, and updated insurance and workers' compensation expenses, along with various agency specific items were extra-ordinary inflation is project.

Agency budgets are presented in Section 4 of the document. Budgets are presented in alphabetical order. Agency budgets are presented by service and by fund at the major expenditure level.

- Service-An activity or set of activities performed by an agency that has: identifiable costs for budgetary purposes, and a clear purpose with measurable objectives.
- Major Object: A set of like accounts defining the nature of revenues and expenditures. Major objects within the City of Madison's chart of accounts include:

### Revenue

- General Revenues
- Intergovernmental Revenues
- Charges for Services
- Licenses & Permits
- Fine Forfeiture Assessments
- Investments & Contributions
- Miscellaneous Revenue
- Other Finance Source
- Transfer In

### Expenditures

- Salaries
- Fringe Benefits
- Supplies
- Purchased Services
- Debt/Other Financing Uses
- Inter Departmental Billings and Charges
- Transfers Out

Agency chapters are organized into 5 sections. Information previously submitted as a supplement now appears within agency sections.

1. Agency Overview
  - a. Includes the agency overview, mission, and key highlights included in the Executive Budget.
2. Budget Overview
  - a. Provides an overview of agency budgets by service and by fund organized by major type of expenditure
3. Service Overview
  - a. Includes a description discussing the scope of work provided by the service. All service budgets are presented at the major object level.
4. Position Detail
  - a. Includes the count and salary of full-time equivalent (FTE) positions funded included in the Executive Budget.
5. Line Item Detail
  - a. Outlines line item expenditures within the agency's primary fund.

## Pay Increases

The Executive Budget includes the following wage increases:

- Sworn Police and Fire: Bargaining is ongoing and any wage increases will be depended on the collective bargaining process.
- Teamsters: The annualization of a 2% increase planned for December 2018.
- All Other Civilian Positions: 3.25% increase in January 2019.

## Allocation of Fringe Benefits

Fringe benefit amounts reflected in agency budgets are based on anticipated 2019 rates. Benefits that remain centrally budgeted included: sick leave escrow payments, City employee bus subsidy payments, and unemployment benefits. Benefits budgeted centrally within the General Fund are distributed to agencies based on actual expenditures throughout the year.

## Enterprise Funds

The operating budget includes revenue and expenditure information pertaining to Madison's enterprise funds including:

- Monona Terrace
- Golf Enterprise
- Transit Utility (Metro Transit)
- Parking Utility
- Sewer Utility
- Stormwater Utility
- Water Utility

All enterprise funds, except Monona Terrace and Transit Utility, do not receive a subsidy from local sources. Monona Terrace receives a subsidy through the Room Tax Fund as authorized by the Room Tax Commission. The Transit Utility also receives a General Fund subsidy outlined in the proposed budget for Metro Transit. 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.

## Cost Allocation

The Executive Budget reflects the City's cost allocation model that was developed in 2018. The goal of this methodology is to accurately and consistently allocate central service costs to enterprise agencies receiving services. Charges associated with cost allocation are reflected in the inter-departmental charges & billing major expenditure categories shown in the Line Item Detail section of the agency's budget. Reference the Executive Summary for a full explanation of the methodology, the allocation basis, and summary of allocated costs.