

# Executive Budget User's Guide

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## Agency Budgets

Agencies were instructed to submit 2020 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, and updated insurance and workers' compensation expenses, along with various agency specific items where extra-ordinary inflation is projected.

## Presentation of the 2020 Operating Budget

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.

Presentation of the 2020 Operating Budget seeks to emphasize service level budgets while emphasizing the total cost of providing services. Agency budgets continue to be presented in four sections:

1. Agency Overview: High level summary of the agency including mission, overview, and key highlights for the 2020 budget.
2. Budget Overview: A summary of the agency's budget by fund, service, and major category of expenditure. Revenues presented for General Fund agencies only include revenue budgeted within the General Fund; expenditure amounts represent all funds.
3. Service Overview: Presentation of the agency's budget by service. Each service includes the following:
  - a. Service Description: High level overview of the service and its objectives
  - b. Major Budget Changes: Discussion of significant changes at the service level
  - c. Activities Performed by Service: Discussion of activities that make of the service's body of work
  - d. Service Budget: Presentation of the service's budget by fund and expenditure type. Note, in cases where services are funded by multiple sources only revenues from the General Fund are presented.
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.

## Internal Service Funds

The Executive Budget includes three Internal Service Funds: Fleet Service, Insurance, and Workers Compensation. An Internal Service Fund is used to account for enterprise-like operations that provide services, on a user fee basis, primarily or exclusively to City agencies. The Agency Billings budgets for these funds is presented as a separate table to highlight the full expenditure cost of the Agency.

1. Budget Overview
  - a. Provides an overview of agency budgets by major type of external (non-City agency) revenue, by major type of expenditure, and by City Agency Billings.

## Pay Increases

The Executive Budget includes the following wage increases:

- Sworn Police and Fire: 3.25% increase in December 2019.
- Teamsters: Bargaining is ongoing, any wage increases will be dependent on the collective bargaining process.
- All Other Civilian Positions: 3.25% increase in December 2019.

## Allocation of Fringe Benefits

Fringe benefit amounts reflected in agency budgets are based on anticipated 2020 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.