



Funding and Wage Agreements

Current Processes

Police

- Currently in mediation

Teamsters

- Ratified Agreement thru 2024
- 2.5%, 2%, 2% Wage Increases

Fire

- Ratified Agreement thru 2024, with 1.5%, 2%, 3% wage increases **

**Requires .5% life to all Associations (MPSEA, Laborers, AFSCME, City Attorneys) effective Jan. of 2022, requiring City to pull from reserves due to budgetary shortfall

Comparing City of Madison (“City”) & Dane County (“County”) Budgets

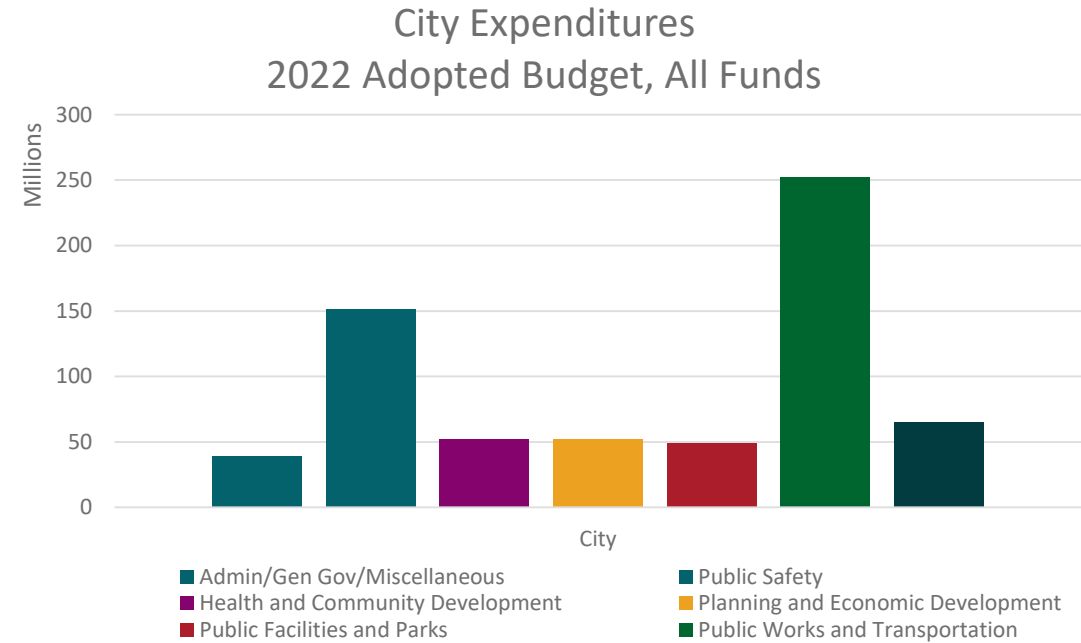
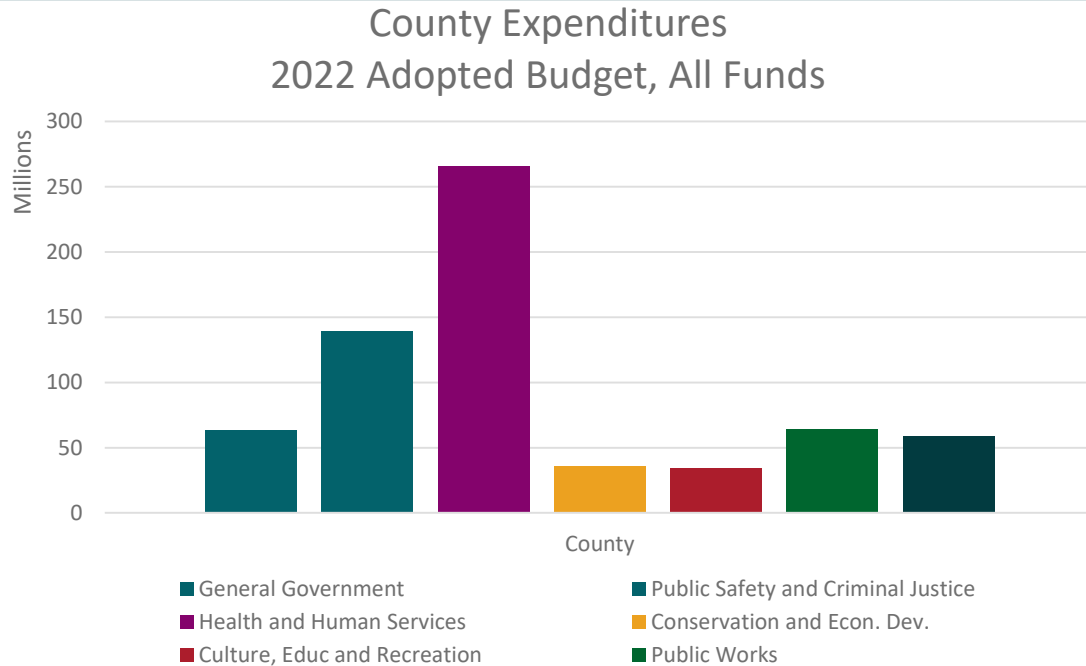
Similarities

- Both City and County have annual operating budgets that cover revenues and expenditures from January 1 – December 31.
- Both governments utilize the property tax as the primary source of revenue for general purpose program activities.
- Both are subject to state-mandated limits on the growth in property tax revenues.
- Both receive state shared revenue and general transportation aid; state aid has not kept pace with growth in costs.
- Both have opted to levy a vehicle registration fee (city -- \$40; county -- \$28)

Differences

- The County’s primary role is to perform services on behalf of the state (human services; court and district attorneys; corrections/jail facilities and operations) and operate regional facilities (airport, zoo, landfill).
- The County is authorized to levy a 0.5% sales tax; the City is not.
- The City operates a transit system.
- The City has broader public works responsibilities (street network, water, sewer and stormwater systems).

City and County Expenditures

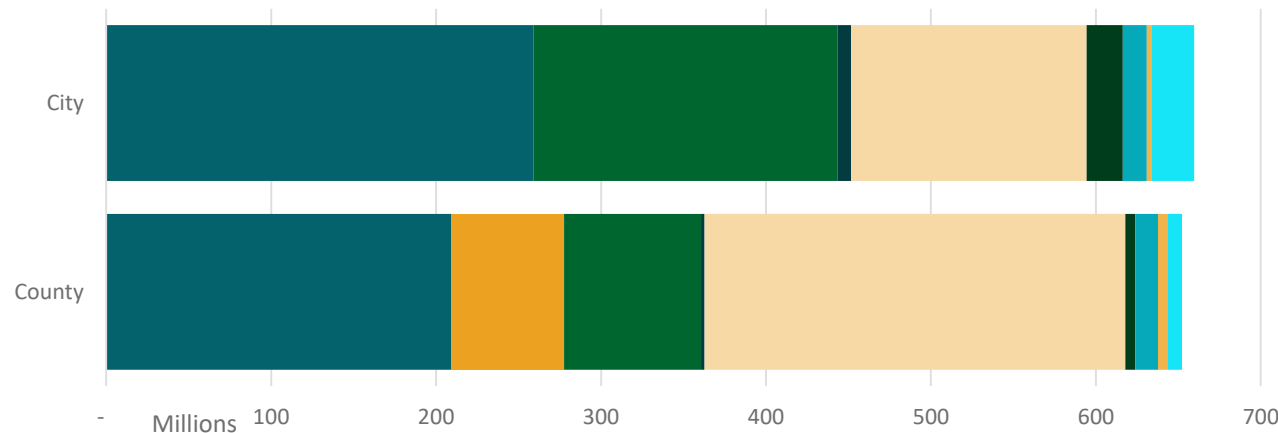


- The City and County have roughly similar budgets when comparing expenses from all funds (including but not limited to general and library funds, enterprise funds, grants, and intergovernmental sources).
- The County's largest expense category is Health and Human Services, followed by Public Safety and Criminal Justice.
- The City's largest expense category is Public Works and Transportation, followed by Public Safety.

Note: City expenditure data is from Munis for the 2022 Adopted Budget. This presentation differs from expenditure summary in the City's budget book, which only includes general and library fund expenses. Additionally, the City expense categories have been slightly modified to align with the County categories.

City and County Revenues

City and County Revenues
2022 Adopted Budget, All Funds



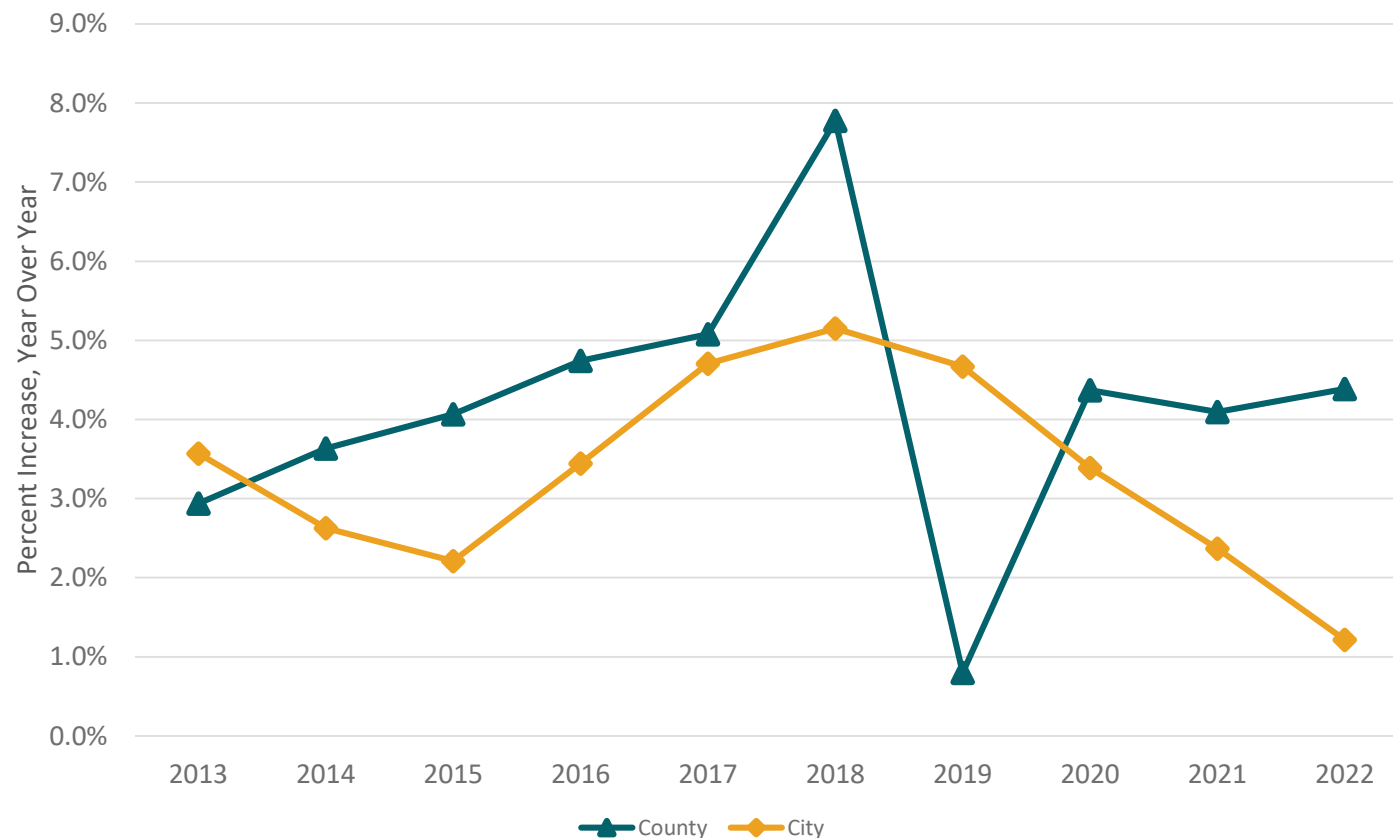
- The City and County have roughly similar budgets when comparing revenues from all funds.
- City Revenues:
 - Property Tax is the largest source of revenue, followed by Charges for Service (primarily utilities), Intergovernmental Revenue, and Other sources
- County Revenues:
 - Intergovernmental Revenue is the largest source, followed by Property Tax, Charges for Services, and Sales Tax

	County	City
Property Tax	209,335,114	259,044,042
Sales Tax	68,222,093	-
Charges for Services	82,997,026	184,409,307
Fines and Forfeitures	2,098,700	8,157,320
Intergovernmental Revenues	255,248,878	142,844,722
Taxes	5,978,389	21,816,200
Licenses and Permits	13,838,845	14,502,398
Miscellaneous	5,502,690	3,269,291
Other Financing Sources	9,002,512	25,483,165

Note: City revenue data is from Munis for the 2022 Adopted Budget. This presentation differs from the City's budget book, which primarily presents data on the general and library fund revenues.

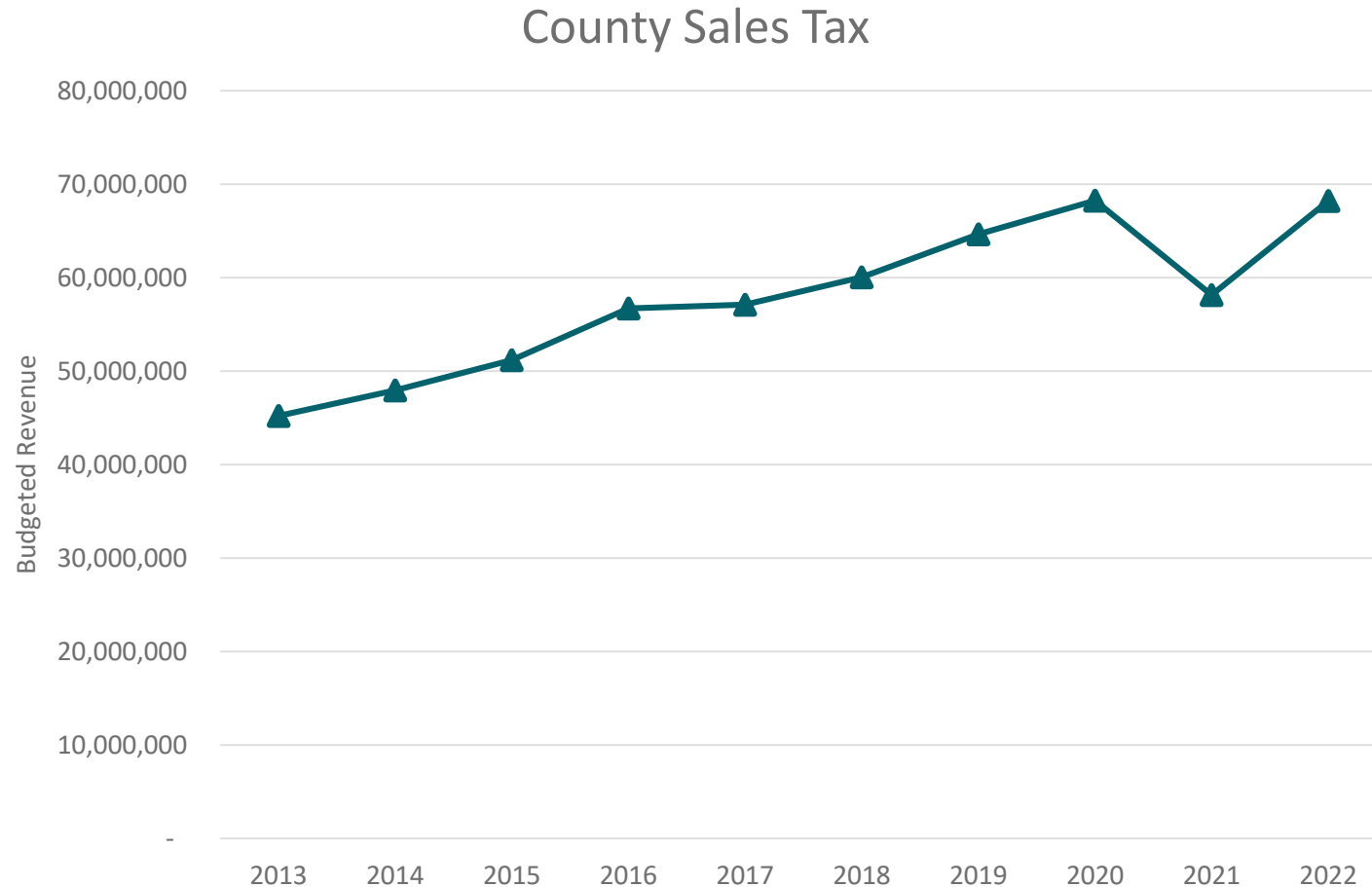
Comparing Property Tax Revenues

Year over Year Change in Property Tax Revenues



- Both the County and City levy a property tax.
- Over the past 10 years, the County property tax has increased at a higher rate than the City property tax.
 - County average annual increase = 4.2 percent
 - City average annual increase = 3.3 percent
 - The County property tax increased at a higher rate than the City in 8 of the past 10 years.

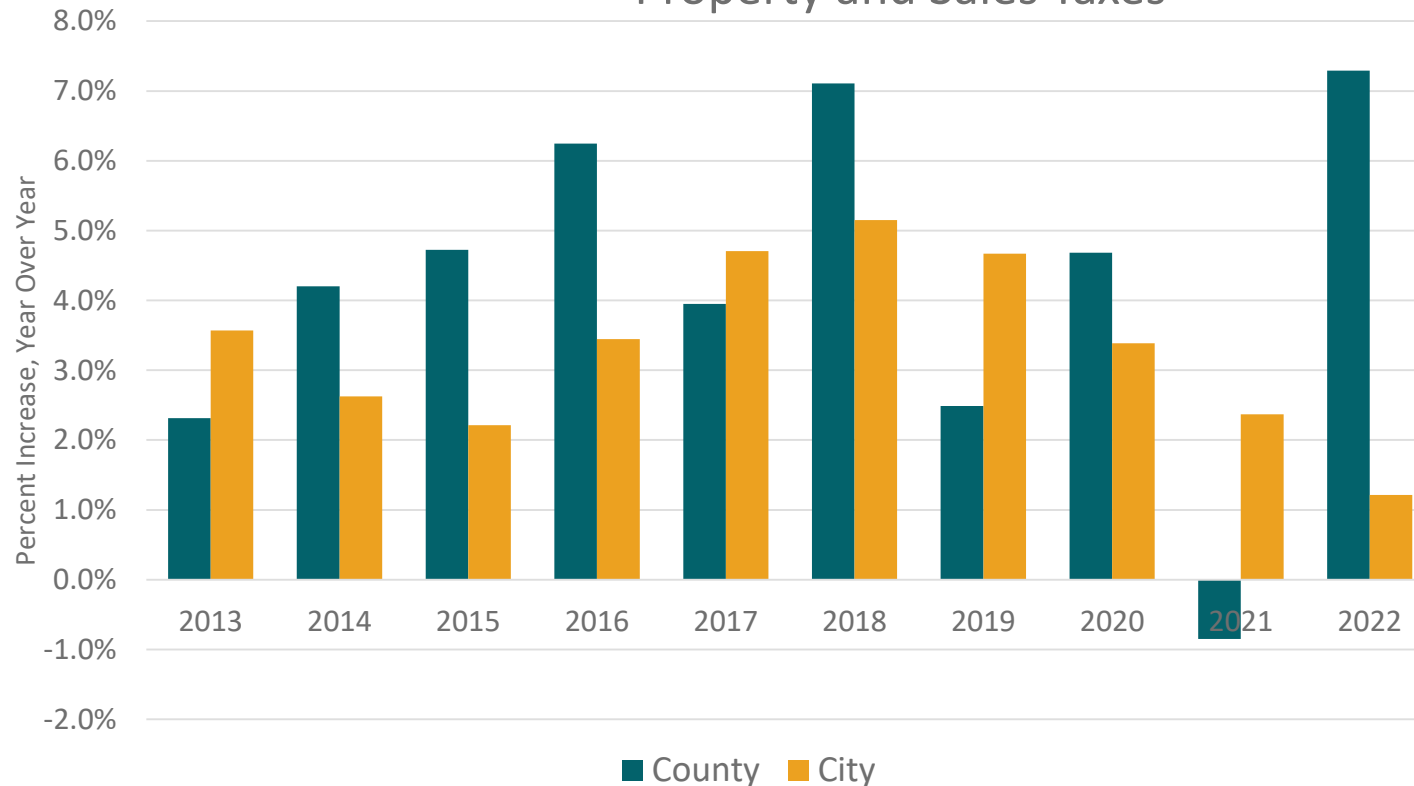
Sales Tax



- Under Section 77.70 of WI State Statutes, the County is allowed to implement a ½ percent (0.5%) sales tax. **The City is prohibited from levying a sales tax.**
- In 2022, the County is budgeting **\$68.2 million** in sales tax revenue, which accounts for **10.5%** of total revenues.
- Over the past 10 years, sales tax revenues have steadily increased (with the exception of 2021).

Combined effect of property tax & sales tax

Comparative General Revenue Growth Rates
Property and Sales Taxes

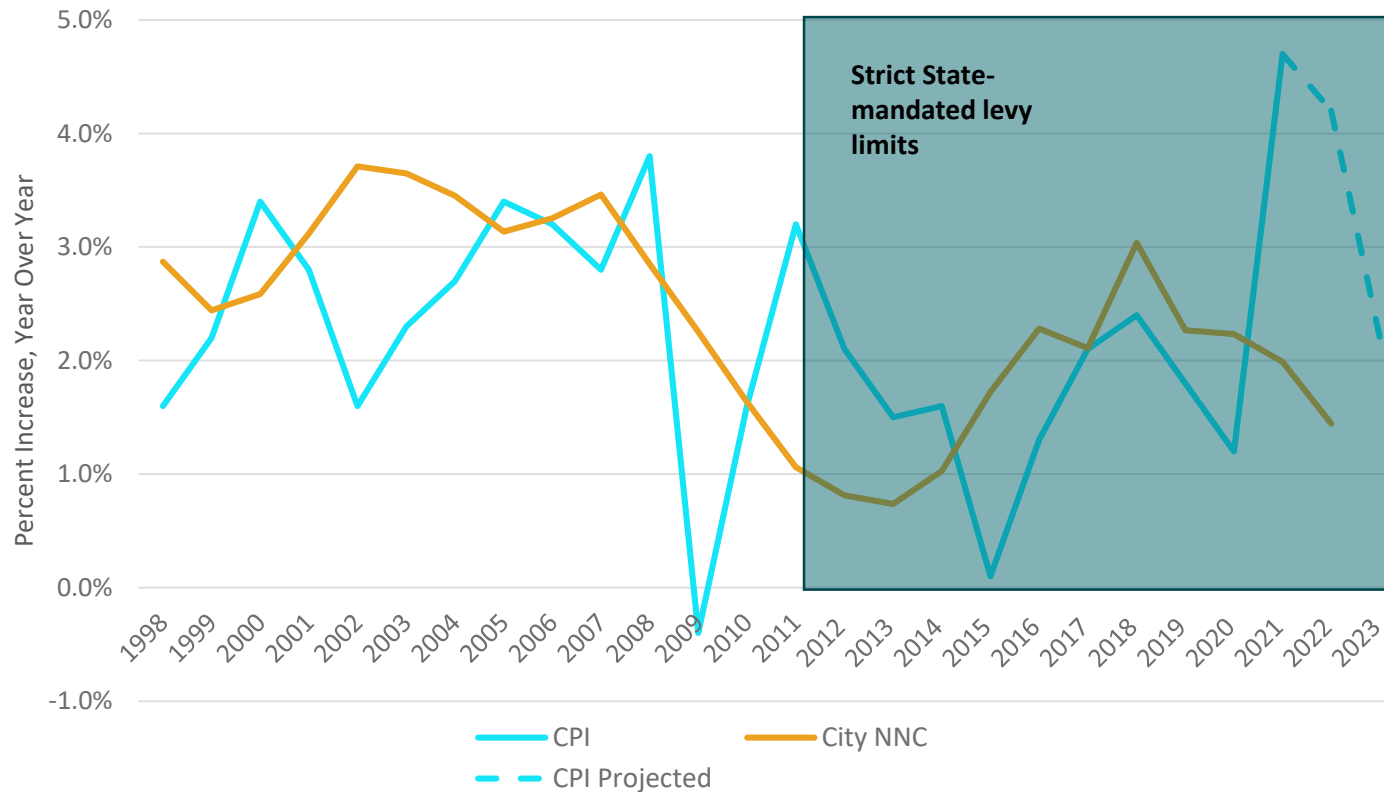


- County revenue growth has outpaced the City's over the past 10 years.
- In 2022, the County's combined property tax and sales tax growth rate was 7%. The City's growth rate was only 1%.

	County	City
% Change (growth rate) 2021 to 2022	+7.3%	+1.2%
% Change (growth rate) 2012 to 2022	+50.7%	+38.7%

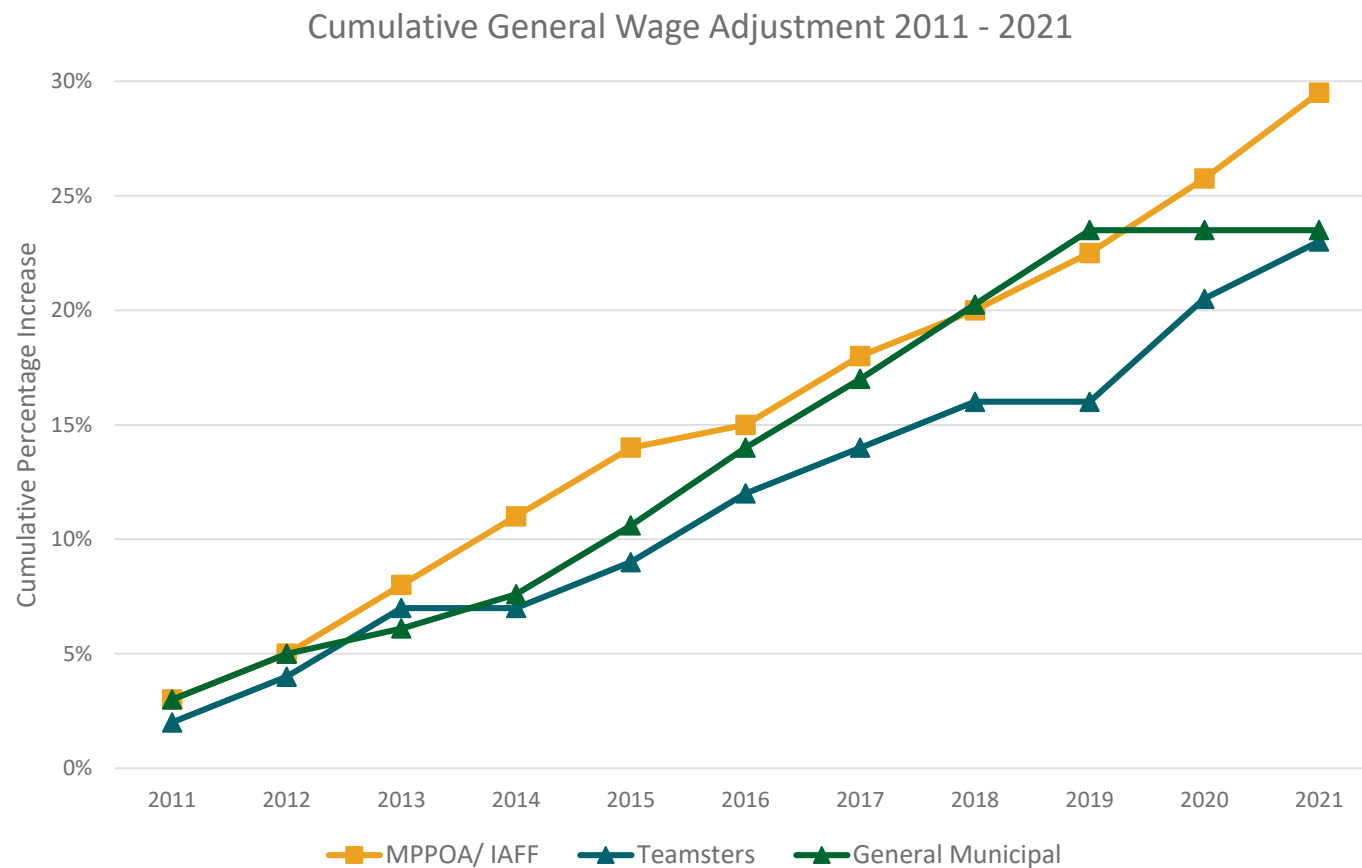
Allowable Growth in Levy Rarely Matches Consumer Price Index (CPI)

Annual average change in CPI vs. City net new construction (NNC), 1998-2022



- Growth in the City's property tax levy is determined by the value of net new construction (NNC).
- Although NNC is influenced by macroeconomic factors, the annual rate of change does not mirror changes in the consumer price index (CPI), which is a measure of inflation.
- As a result, the City cannot increase revenues through the property tax levy to respond to inflationary pressure.

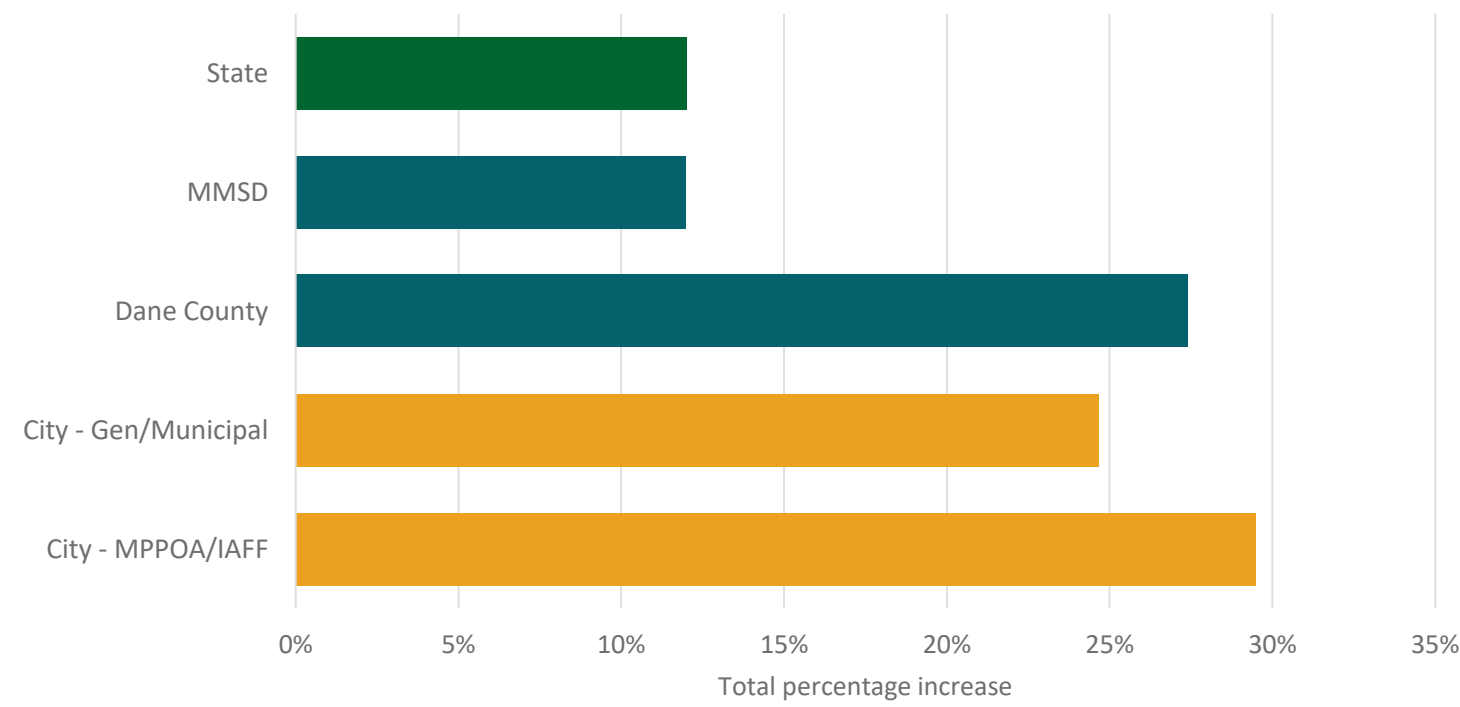
City wages have increased by 23% (or more) over the past 10 years.



- Between 2011 and 2021, City Employees have received an average annual wage increase of 2.3%.
- Total wage increase for employees over 10 years:
 - 23% increase for general municipal employees
 - 23.5% increase for Teamsters
 - 29.5% increase for MPPOA/IAFF
- Wage increases do not include temporary measures like furloughs.
- Wage increases do not reflect additional employer-paid contributions to the Wisconsin Retirement System and health insurance premium costs.
- Wage increases also do not include position reclassifications and progressions, nor longevity adjustments.

City wage increases have been comparable to the County.

Cumulative Wage Increases from 2010 – 2022
Comparison of government employers



Note: Data does not include a 5% wage decrease Dane County employees received in 2010.

- Since the passage of Act 10 in 2010, City of Madison wages have increased by 24.7% for general municipal employees, and 29.5% for MPPOA/IAFF employees.
- City wage increases have been comparable to the County, despite slower growth in property tax and sales tax revenue during the same period.
- City and County wages have grown significantly more than State of Wisconsin and Madison Metropolitan School District (MMSD) wages.