



Department of Administration
Budget and Management Division

John O. Norquist
Mayor

Michael J. Soika
Director

Joseph J. Czarnecki
Budget and Management Director

October 16, 2003

Ref: 04BF, 3-D

Alderman Fredrick G. Gordon, Chairperson ✓
Committee on Finance and Personnel

Subject: Information Requested at Finance Committee Review of the Department of
Neighborhood Services 2004 Proposed Budget

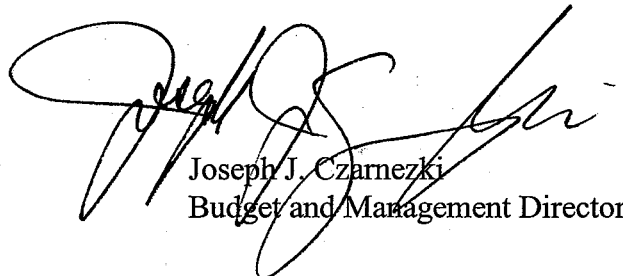
Dear Alderman Gordon:

During the Finance Committee review of the 2004 proposed budget, the following question was
directed to this office:

**What changes in the MADACC budget are increasing the city's contribution to MADACC
as budgeted in the DNS "Animal Pound Contract" special fund?**

The attached memo contains our response.

Sincerely,



Joseph J. Czarnecki
Budget and Management Director

cc: Members, Finance and Personnel Committee
Jennifer Meyer, Mayor's Office
Marianne Walsh, Fiscal Review Manager

ECP:dmr
MADACCletter.doc



**City of Milwaukee
Budget and Management
Intra-Office Memo**

To: Joseph J. Czarnecki
From: Eric C. Pearson
Date: October 16, 2003
File Ref: 04BF, 3-D
Subject: City's Contribution to MADACC

In 1997, the City of Milwaukee adopted File 970660 authorizing participation in an intergovernmental agreement for the provision of animal control services pursuant to Wisconsin Statute 66.30. The agreement established the Milwaukee Area Domestic Animal Control Commission (MADACC). MADACC operates an animal control facility and captures, shelters and disposes of stray and unwanted animals that cannot be returned to their owners.

Under the MADACC agreement, the City pays for two components of MADACC costs based on specific criteria, as summarized below:

- Debt service (principal and interest) costs, based upon the City of Milwaukee's percentage share of total equalized valuation for all participating municipalities; and
- Operating and capital costs, based on usage of the facility as measured by the percentage of total domestic animals sheltered at the facility from the City of Milwaukee on average over the most recent three years.

All member communities are billed by MADACC based on these criteria. Figure 1 shows City of Milwaukee payments to MADACC from the special fund established for this purpose from 1999 through 2003 and also including the proposed 2004 amount. As the Table shows, contributions have fluctuated and are a function of several variables, including the amount of the MADACC budget, total costs billed to member communities, and changes in the percentage of usage and equalized value comprised by Milwaukee.

The billings to communities are projected to increase under the 2004 proposed MADACC budget. The City of Milwaukee comprises the majority of usage and equalized value; consequently, Milwaukee bears the majority of MADACC's costs and any budget increases.

The primary factors driving the increased member contributions for 2004 are:

- Increased personnel costs; and
- Decreased use of fund balance to offset billings to member communities.

The following personnel cost increases occur in the 2004 proposed MADACC budget:

- Salary and wage expenses increase by 2%
- Health insurance expenses increase by 12%
- Pension expenses increase by 13%

Personnel costs comprise 68% of the total MADACC budget (excluding debt service). There are also non-salary increases in the operating budget for items such as natural gas and animal supplies.

In prior years, MADACC has made withdrawals from the unrestricted general fund balance to reduce billings to members. However, the excess money available for this purpose has diminished over time. The withdrawal for 2004 is less than in prior years. Specifically:

- Use of fund balance to provide revenue decreases by 56%.
- This increases billing to members by more than 4%.

Figure 1

