



Department of Administration  
Budget and Management Division

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MEMORANDUM

To: Finance and Personnel Committee Members

From: Eric Pearson, Budget and Policy Manager

Subject: DNS Revenue Estimates

At the DNS budget hearing, the Committee requested information on the reasons for the changes in the revenues estimates for DNS between the 2018 adopted and 2019 proposed budgets.

The 2018 adopted budget revenue estimate for DNS is \$26,041,400. The 2019 proposed budget revenue estimate is \$23,689,000. The change in 2019 is a reduction of \$2,352,400.

DNS has 65 separate revenue accounts with estimates for 2019. Of these accounts, 30 either had no change in revenue estimates or increased revenue estimates. A total of 35 accounts had decreased revenue estimates. Of these 35 accounts, 11 accounts had decreases totaling \$2,269,000, representing approximately 96% of the net decrease. These 11 accounts are shown in the table below, including the 2018 estimate, the 2019 estimate, and the change in the estimate. Also shown are actual revenues for 2015, 2016 and 2017.

Revenue	2015 Actuals	2016 Actuals	2017 Actuals	2018 Estimate	2019 Estimate	Change
Reinspection Fee	7,497,391	6,110,089	4,916,532	5,400,000	4,900,000	-500,000
Rental Recording	1,344,156	847,895	466,661	900,000	500,000	-400,000
Building Razing	1,393,812	1,287,273	856,026	1,100,000	800,000	-300,000
Stdpipe/Sprinkler Permanent	599,363	570,182	372,134	630,000	400,000	-230,000
Vacant Building Registration	2,226,971	2,201,362	1,934,680	2,200,000	2,000,000	-200,000
Elevator Inspection	454,052	346,521	514,266	634,000	500,000	-134,000
Litter Nuisance	571,294	682,529	467,993	620,000	500,000	-120,000
Bldg Add & Alt Permit	1,903,132	1,821,965	1,921,595	2,000,000	1,900,000	-100,000
Fire Prevention Inspections	1,904,468	2,071,471	1,596,628	2,000,000	1,900,000	-100,000
Permit Processing Fee	200,471	158,251	165,127	255,000	160,000	-95,000
Occupancy Permit	459,618	412,712	357,942	450,000	360,000	-90,000



The two largest reductions are in the Reinspection Fee (-\$500,000) and Rental Recording (-\$400,000) accounts. In 2016, the State of Wisconsin enacted 2015 Wisconsin Act 176. This legislation established numerous limitations and prohibitions on the authority of local governments regarding residential rental properties. Changes included limitations on when local governments can inspect rental properties, on the amount of any inspection fee charged to rental properties, and on the registration of rental properties. In order to comply with the restrictions enacted in Wisconsin Act 176, the City amended its ordinances in Council File 160162. This file made changes in the reinspection fee schedule and amounts and modified the property recording and registration program.

Most of the other revenue estimate decreases are related to adjusting estimates to better match the trend in actual revenue. For example, Building Razing revenue has decreased from \$1.4 million to \$856,000 between 2015 and 2017, resulting in a \$300,000 reduction in the revenue estimate, from \$1.1 million to \$800,000. Razing revenue is affected by the volume of razes of privately owned properties, as these properties are billed for the cost of razing. Similarly, the Vacant Building Registration (VBR) revenue estimate decreased by \$200,000, from \$2.2 million to \$2 million. This reflects the trend in decreasing revenue, from \$2.23 million in 2015 to \$1.93 million in 2017. VBR revenue is decreasing as the number of registered vacant buildings decrease.

DY: ECP

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