

RESEARCH & ANALYSIS SECTION – LEGISLATIVE REFERENCE BUREAU

2009 Proposed Budget Summary: City Revenues

2009 Proposed Budget Expenditures

<u>Category</u>	<u>Total '08 Adopted</u>	<u>Total 2009 Proposed</u>	<u>Change from '08</u>
Total City Budget*	\$ 1,285,511,339	\$1,396,259,516	110,748,177 (8.6%)
Tax Levy-Supported Budget**	942,571,606	1,048,207,591	105,635,995 (11.2%)
General City Budget	574,617,339	590,058,363	\$15,441,024 (2.7%)

*Includes Water Works and Special Revenue Accounts.

**The Tax Levy-Supported Budget includes those funds which are partially or completely funded by the tax levy. Changes in these budget components have a direct impact on the tax levy.

The General City Budget (General City Purposes Fund) is the City's operating and maintenance fund that is used to pay the City's basic services such as public health, safety, public works and general administrative services.

1. The 2009 proposed general City purposes budget totals approximately \$591.1 million, an increase of \$15.4 million or 2.7% from the 2008 Adopted Budget.
2. A variety of revenue sources support the general City purposes budget, including intergovernmental aid, vehicle registration fees, property taxes, payments in lieu of taxes, charges, miscellaneous revenues, the Tax Stabilization Fund, fines and forfeitures, licenses and permits, fringe benefit offset and cost recovery.
3. Intergovernmental revenues total \$272.2 million in the 2009 Proposed Budget. Of this amount, \$230.9 million is comprised of anticipated state shared revenues. This slight increase of \$272,700 is due to an increase in the utility portion of the shared revenue payment. Expenditure Restraint Aid is estimated at \$7.6 million for 2009, a decrease of \$1.4 million from the actual amount received in 2008. Local Street Aids are expected to increase by approximately \$900,000 to \$26.27 million in 2009.
4. From 2003 to 2009, intergovernmental revenues decreased from \$284.6 million to \$272.2 million.
5. The proposed Property Tax Levy will provide \$125.4 million for general City purposes in 2009, an increase of \$21.4 million from the 2008 levy. The proposed 2009 levy for all tax supported purposes is \$238.4.4 million, for, an increase of \$10.9 million from 2008 (4.8%).
6. The 2009 Proposed Budget includes an estimated \$14.1 million in revenue attributed to taxes and payments in lieu of taxes (PILOTs), an increase of \$1.2 million from 2008.

7. On December 21, 2004, the Common Council passed File Number 041042, an ordinance creating the "Fair Share Payment in Lieu of Taxes Program" (or "PILOT"). Under this program, which is administered by the Commissioner of Assessments, the City seeks voluntary payments from owners of tax-exempt properties in recognition of the services those properties receive from the City. The Commissioner approaches a property owner about the possibility of making a PILOT whenever the owner applies for property tax exemption or whenever the Department of City Development notifies the Commissioner that the owner has demonstrated intent to expand, improve, replace or acquire a facility. The PILOT ordinance also directs the Commissioner of Assessments to develop, implement and maintain a campaign to create awareness of the PILOT program among current and potential owners of tax-exempt properties.

The Assessor's Office projects that the City will receive about approximately \$203,000 in payments from existing PILOTs in 2009 under the Fair Share program. No new PILOTs are expected to be established in 2009. In addition, for the third year, Columbia/St. Mary's will be making a \$500,000 contribution to the City to support 2 Health Department initiatives – the Nurse Family Partnership Program (to reduce Milwaukee's infant mortality rate) and the Center for Health Equity (to study race-related health disparities). Columbia/St. Mary's aside, the properties for which PILOTs are being paid are primarily churches and non-profit housing developments; the city's major tax-exempt property owners (namely, health care systems and colleges/universities) continue to be reluctant to make PILOTs.

8. Revenue from Fines and Forfeitures is \$5.6 million in the 2009 Proposed Budget, a \$91,000 increase from 2008.
9. The 2009 Proposed Budget includes \$78.1 million in revenue from charges for services provided by City departments, a decrease of \$1.8 million from 2008. The decrease is primarily due to the ending of the contract with MPS for the payment of City services (Comptroller, City Attorney, workers compensation, crossing guards, etc.). In 2008, the MPS payment was \$3.9 million.
 - The proposed budget's revenue estimate for the Solid Waste Charge assumes the Solid Waste Charge will remain at \$132 per year and, generate \$25 million, the same as the 2008 estimate. On September 12, 2008, the Common Council tabled, a substitute resolution establishing the 2009 Local Solid Waste Charge (File #080484). The resolution would have increased the 2009 Solid Waste Charge to \$42.25 (\$169 per year) per quarter per dwelling unit and generated approximately \$31.84 million revenue, an increase of \$6.84 million from the estimated \$25 million the 2008 Solid Waste Charge will generate.

- The Snow and Ice Control Charge 2009 revenue estimate assumes the rate \$0.4811 per foot of property frontage and generate \$4.5 million. This is same rate was established for 2008 prior to the Common Council amending the rate from of \$0.4811 per foot of property frontage to \$0.6522 per foot (File #080483) which will generate \$6.1 million in 2008 revenues, an increase of additional \$1.6 million for 2008. On September 12, 2008, the Common Council tabled a substitute resolution establishing the 2009 Snow and Ice Control Charge (File #080485) at \$0.6522 per foot, the same rate as the 2008 amended charge.
 - Leaf pick-up and street-sweeping costs are recovered through the City's sewer maintenance fee. These will be in the form of service charges to the Sewer Fund by the Department of Public Works – Operations Division. Revenue received for this service is projected at \$5 million in 2009, the same amount as in 2008.
10. Miscellaneous Revenues include transfers from the Parking Fund and interest on investments, funds from the sale of surplus property, real estate property sales, various spending offset accounts, and other revenue not accounted for in other revenue categories. Miscellaneous Revenues are projected to total \$36.4 million in 2009, an increase of \$1 million from 2008. This \$1 million increase is primarily due to the \$3.3 million transfer of a portion of the \$6.6 million vehicle registration revenue from the Capital Improvements Fund, \$1.5 million from the New Berlin Water Sale, an increase of \$440,000 from DOA and DCD property sales, offset by a decrease \$4.4 million decrease in investment earnings.
 11. Revenues from licenses and permits are estimated to be approximately \$13.1 million in 2008, an increase of \$169,225 from 2008. On September 12, 2008, the Common Council adopted File #080486, an ordinance amending various fees and forfeitures. The ordinance will increase general fund revenues for 2009 by an estimated \$773,000. This increase is offset by a decrease in revenue from certain building permit and inspections fees.
 12. The balance in the Tax Stabilization Fund (TSF) as of April, 2008, totals approximately \$44.8 million. The proposed withdrawal for 2009 is approximately \$22.4 million. After the 2009 withdrawal and anticipated regeneration at the end of 2008, the Budget Office estimates the TSF should have a fund balance of approximately \$37.9 million.

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 September 29, 2008