

# General City Revenues

2022 Budget Overview

Finance & Personnel Committee

October 1, 2021

# General City Purposes Budget Revenue

Category	2021 Adopted Budget	2022 Proposed Budget	Amount Change	Percent Change
Taxes & PILOT's	\$20,123,000	\$18,249,000	-\$1,874,000	-9.3%
Licenses & Permits	17,313,800	16,743,000	-570,800	-3.3%
Intergovernmental	272,982,000	273,451,000	469,000	0.2%
Charges for Service	143,232,090	144,387,288	1,155,198	0.8%
Fines & Forfeitures	2,500,000	2,602,000	102,000	4.1%
Miscellaneous	40,262,000	34,299,000	-5,963,000	-14.8%
Fringe Benefit Offset	23,500,000	25,000,000	1,500,000	6.4%
TSF (sustainable)	6,500,000	4,000,000	-2,500,000	-38.5%
TSF (omnibus)	0	254,000	254,000	-
Tax Levy	112,786,102	115,120,294	2,334,192	2.1%
<b>TOTAL</b>	<b>\$639,198,992</b>	<b>\$634,105,582</b>	<b>-\$5,093,410</b>	<b>-0.8%</b>

# Revenue Strategic Overview

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## Challenges

- End of State commitment to Shared Revenue growth
- Municipal Levy limit
- Limited local revenue options
- Limited revenue growth: non-property tax General Fund revenues decrease by \$7.4 million or 1.4%
- Diminishing fund reserves

## Opportunities

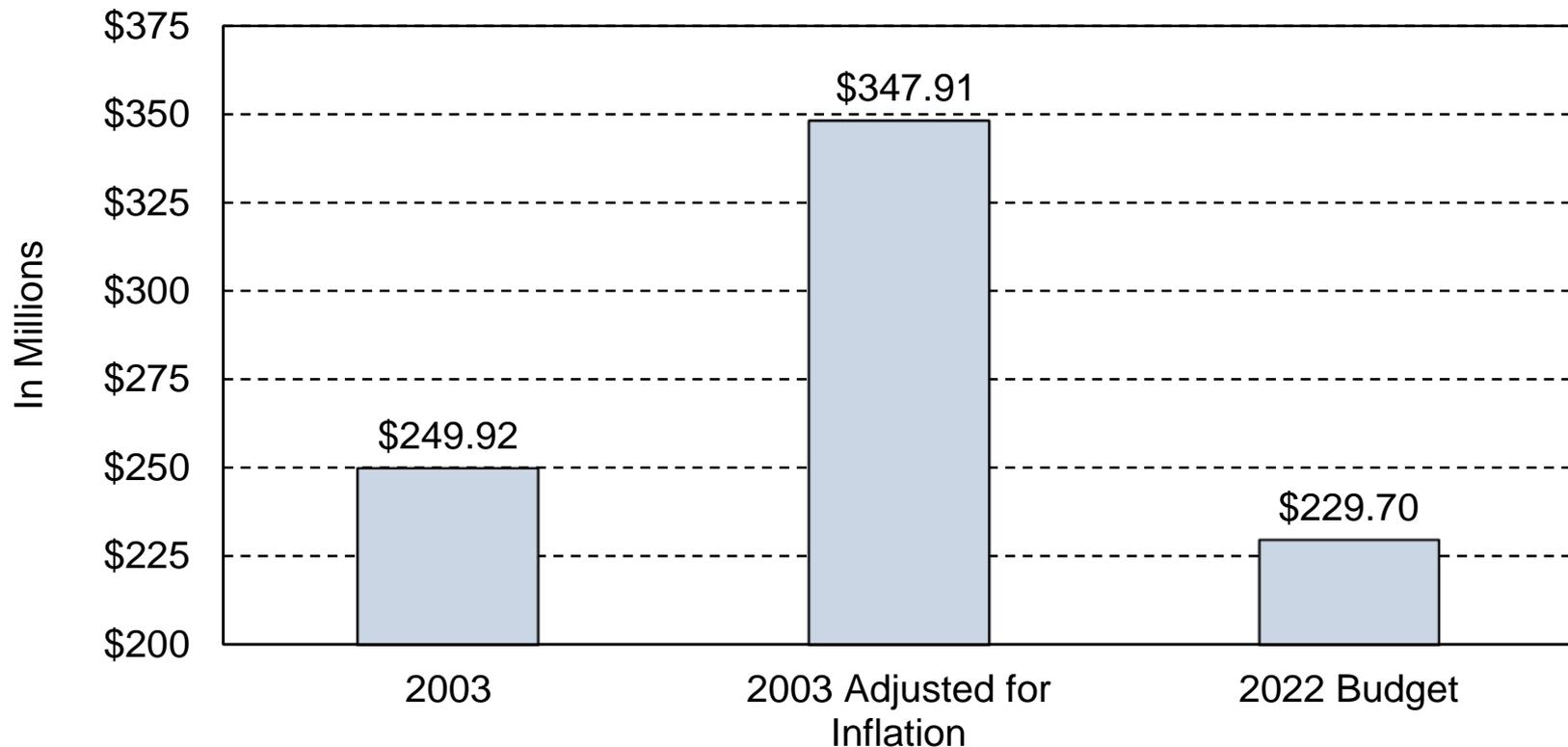
- Cost-recovery through service charges reduces pressure on tax levy

## Result

- Ongoing service costs exceed ongoing revenue and cause persistent structural imbalance
- New revenue source, such as sales tax, would reduce structural imbalance

# State Shared Revenue/ERP Trend

Decline in State Shared Revenue and Expenditure  
Restraint Program (ERP) Payments to Milwaukee 2003 and 2022

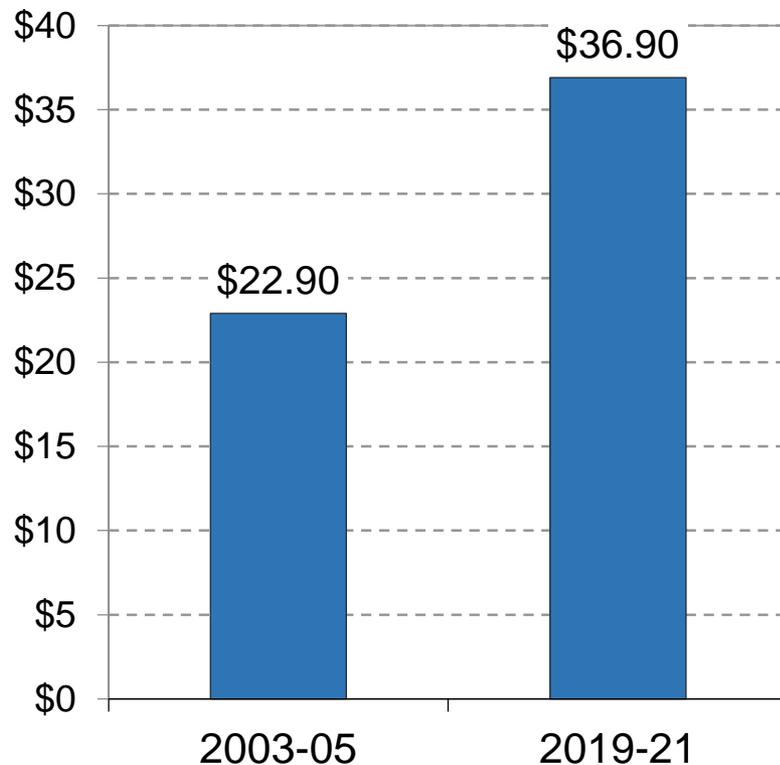


Source: US Bureau of Labor Statistics: CPI-U Tables; City Budget Documents; WI Legislative Fiscal Bureau.

# Trends in State General Purpose Revenue (GPR) and City Shared Revenue/ERP Aid: 2003 and 2022

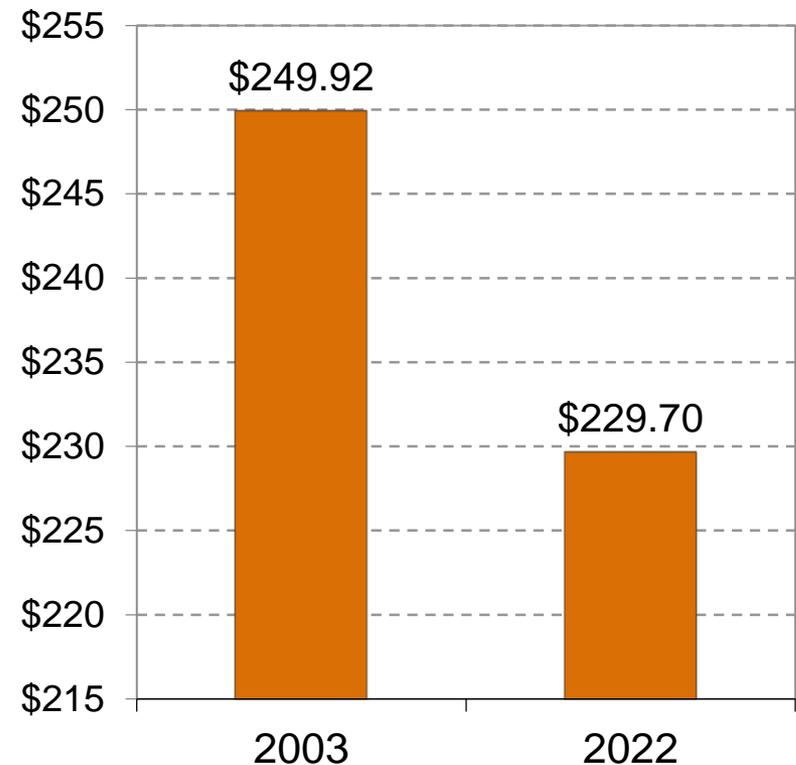
## State GPR

In Billions



## City Shared Revenue/ERP Aid

In Millions



# 2022 Proposed Budget Changes

- No change to Major User Fees

Fee	2021	2022	Change
Solid Waste	\$241.56	\$241.56	\$0.00
Local Sewerage	\$104.76	\$104.76	\$0.00
Storm Water	\$92.76	\$92.76	\$0.00
Snow & Ice Removal	\$42.80	\$42.80	\$0.00
Street Lighting Fee	\$40.00	\$40.00	\$0.00
Total	\$521.88	\$521.88	\$0.00

# 2022 Proposed Budget Changes

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- Miscellaneous revenue decreases \$6 million
  - Transportation fund transfer down \$6 million
- Taxes and Pilots decrease \$1.9 million
  - \$1.8 million decrease in TID excess revenue
- Charges for Services increase \$1.2 million
- Licenses and Permits decrease \$0.6 million
- State aids increase \$0.5 million
- Fine and Forfeitures increase \$0.1 million

# 2022 Proposed Budget Changes

## Reserve Use

- Budget proposes \$19.0 million from reserve funds
- \$14 million (-42.0%) lower use compared to 2021

Transfer	2021	2022	Difference
TSF	\$6,500,000	\$4,000,000	-\$2,500,000
PDAF	\$10,500,000	\$5,000,000	-\$5,500,000
Transportation	\$16,000,000	\$10,000,000	-\$6,000,000
Total	\$33,000,000	\$19,000,000	-\$14,000,000

# 2022 Proposed Budget Changes

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## Proposed TSF withdrawal

- Balance of \$23.9 million
  - Increase from \$13.9 million at 12/31/2019
- 2022 Recommended withdrawal is \$4.0 million
  - Decrease of \$2.5 million (-38.5%) from 2021
- Use of approximately 16.8% of the available balance
- Need to manage lower TSF withdrawals