

# General City Revenues

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**2018 Budget Overview**  
**Finance & Personnel Committee**  
**October 6, 2017**

# General City Purposes Budget Revenue

	2017 ADOPTED BUDGET	2018 PROPOSED BUDGET	DIFFERENCE	PERCENTAGE CHANGE
Taxes & PILOT's	\$17,698,600	\$17,590,600	-\$108,000	-0.6%
Licenses & Permits	16,203,300	15,937,400	-265,900	-1.6%
Intergovernmental	265,292,200	267,091,400	1,799,200	0.7%
Charges for Service	127,044,792	129,478,000	2,433,208	1.9%
Fines & Forfeitures	3,703,000	3,001,000	-702,000	-19.0%
Miscellaneous	37,259,500	38,416,200	1,156,700	3.1%
Fringe Benefit Offset	23,000,000	23,000,000	0	0.0%
Tax Stabilization Fd.	27,579,000	19,000,000	-8,579,000	-31.1%
Tax Levy	115,212,740	107,229,761	-7,982,979	-6.9%
<b>TOTAL</b>	<b>\$632,993,132</b>	<b>\$620,744,361</b>	<b>-\$12,248,771</b>	<b>-1.9%</b>

# Revenue Strategic Overview

## Opportunities

- ❑ Strong reserve conditions help stabilize operations
- ❑ Commitment to cost-recovery through service charges reduces pressure on tax levy

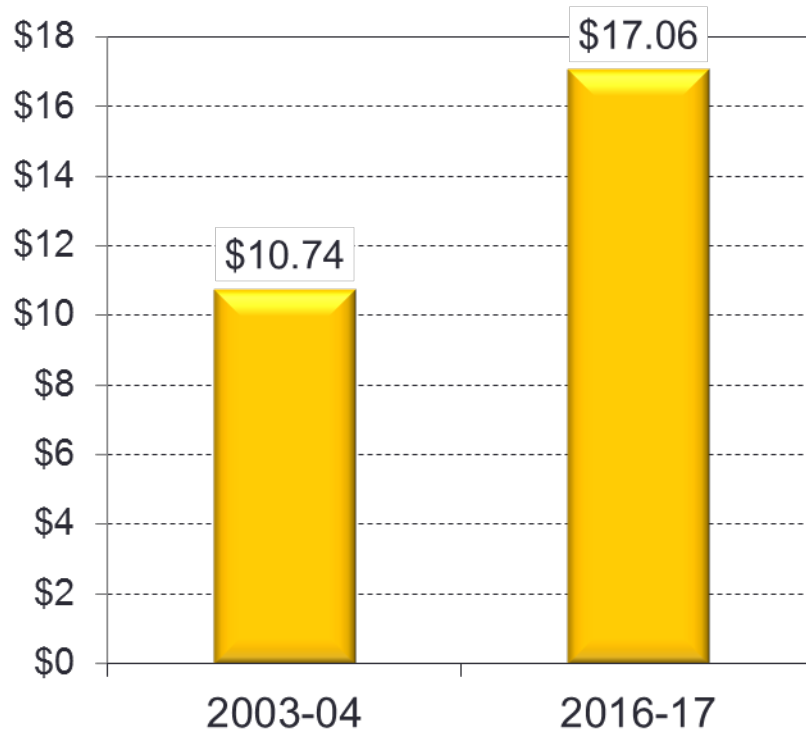
## Challenges

- ❑ End of State commitment to Shared Revenue growth
- ❑ Municipal Levy limit
- ❑ Limited local revenue options
- ❑ Limited revenue growth: non-property tax General Fund revenues increase only 0.9%
  - Excluding Intergovernmental, increase is 1.1% (\$2.5 million)
  - Excluding user fee increases, local revenues decrease (\$802,500)
- ❑ Result: ongoing service costs exceed ongoing revenue and cause persistent structural imbalance
- ❑ New revenue source, such as sales tax, would reduce structural imbalance

# Trends in State General Purpose Revenue (GPR) and MKE Shared Revenue/ERP Aid: 2003 and 2017

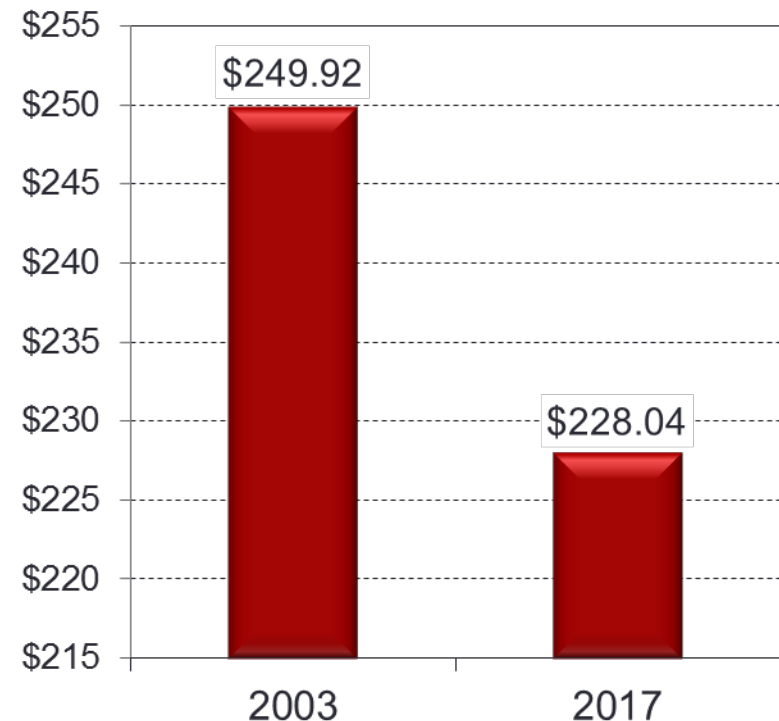
## State GPR

In Billions



## MKE Shared Revenue/ERP Aid

In Millions



State GPR has grown 59% while Shared Revenue to the City has declined. Source: WI Legislative Fiscal Bureau; City of Milwaukee Budget Documents

# 2018 Proposed Budget Changes

- ❑ Increases to Major User Fees
- ❑ General Fund Fees
  - Solid Waste Fee: +\$6.08 per household (3%); \$208.92 annual
  - Snow & Ice fee: +\$1.12 (3%); \$38.84 annual
- ❑ Sewer Maintenance Fund Fees
  - Storm water charge: +\$2.44 per residential user (3%); \$83.16 annual
  - Local sewer charge: +\$1.87 per household (2%); \$95.15 annual

# 2018 Proposed Budget Changes

- ❑ State aids increase \$1.8 million (0.7%)
- ❑ Majority of increase (\$1.2 million, 67% of total increase) is from Local Street Aids
- ❑ Remainder of State Aid increase driven by formulas that determine revenue distribution

# 2018 Proposed Budget Changes

- ❑ Parking Fund transfer payment remains at \$16.6 million
  - Improve long-term Parking Fund stability & maintain support for General Fund operations
  
- ❑ Sewer maintenance fund transfer increases by \$2.1 million (10.5%) to \$21.7 million for forestry services that provide storm water management

# 2018 Proposed Budget Changes

- ❑ TID Excess Revenue of \$270,000 (-46%)
- ❑ Fines & Forfeitures decrease by \$702,000 (-19%)
- ❑ DNS charges for services and permits decrease by \$468,200 (-1.8%)
- ❑ Fringe benefit offset remains at \$23 million (0%)
- ❑ Interest on Investment increases \$404,000 (46%)
- ❑ Sale of Recyclable Materials increases \$275,300 (20%)



# 2018 Proposed Budget Changes

## Reserve Use

- ❑ Budget proposes \$1.6 million (-3.1%) lower use of the four major reserve funds compared to 2017
  - Pension Reserve Fund increases \$5 million (\$5 M)
  - TSF Withdrawal decreases \$8.6 million (\$19 M)
  - Parking Fund transfer – no change (\$16.6 M)
  - PDAF Withdrawal increases \$2 million (\$8.5 M)

# 2018 Proposed Budget Changes

## Proposed TSF withdrawal

- ❑ Balance of \$50.8 million
- ❑ 2018 Recommended withdrawal is \$19 million
  - Decrease of \$8.6 million (31.1%) from 2017
- ❑ Use of approximately 37.4% of the available balance
- ❑ Need to manage lower TSF withdrawals