

CITY OF EVANSVILLE  
MEMORANDUM

June 28, 2013

To: Common Council, Finance Committee, and Department Heads  
From: Dan Wietecha, City Administrator

*DBJ*  
Re: 2014 Budget

At risk of sounding like a broken record: this will be a tight budget. We still have very strict, state-imposed levy limits. And it is possible they will be extended to include some fees and charges in addition to the tax levy.

It is for this reason that I am instructing: *In discussing budget requests, department heads and committees should use a "hold steady" budget target. Any increased operating expense should be matched with a corresponding decreased expense or new revenue source to keep in balance.*

That said, I am very optimistic for this budget:

- New construction in 2012 will give us some headroom in the levy limit.
- A possible increase in general transportation aid from the state.
- Retirement costs will be less, as more of the expense is shifted to employees.

However, there are some unknowns for concern:

- The state budget is scheduled to be signed this weekend. It may include some last-minute, partial vetoes by the governor.
- All of our collective bargaining agreements expire 12/31/2013. We will begin negotiating new contracts this July.
- I expect health insurance premiums to have steep increases the next few years.
- We are in the very early stages of looking at city-wide computer upgrades.
- Our trash and recycling contract expires 12/31/2013.

In this tough economy, departments and the Common Council have repeatedly demonstrated the ability to produce a balanced and structurally sound budget without eliminating services. Aside from the numbers, the budget reflects much in our values:

- Our commitment to providing top-notch service.
- Efficient and cost effective operations.
- Collaborative among our departments and with other jurisdictions.
- Innovative and willing to experiment for better ways to get the job done.
- Taking the long view beyond the immediate budget calendar.