

Prior to last week's meeting of the Finance and Labor Relations Committee, a department head asked me for a copy of the proposed budget which the committee would be considering. Earlier in the week I had seen news reports of the Janesville City Manager's budget proposal and the Madison Mayor's budget proposal, so I can understand an expectation that the Finance Committee would be considering a budget proposal.

But we use a bit of a different process. Late this summer the various department heads and committees worked on their individual portions of the budget. Their requests were then presented to the Common Council on September 20. This was the first time the budget requests were treated as a whole and comprehensive budget rather than isolated individual portions. And it gave the entire City Council the chance to hear all the requests.

The combined requests then went to the Finance Committee on October 7. There it was a discussion between the committee members, the mayor, and me. We collectively revised the budget requests: subtracting in a lot of places and adding in a few. The Finance Committee's end result is the budget proposal. The proposal now goes to the Common Council as a first reading ordinance and will later be considered after a public hearing on November 9.

A couple weeks ago I had a call from a resident and businessman. He commented on property values, housing foreclosures, closed plants in Evansville and the area, no COLA increase in Social Security payments, single parents, and more. He had a list, but his point was to encourage the City Council to reduce the property tax rate.

The economy was absolutely at the front of everyone's mind during the Finance Committee's budget discussion. But we also had to balance fiscal, legal, safety, social, and political factors in addition to economics. The combined requests had totaled up to a 13.4% increase in the tax rate; the Finance Committee reduced this to 0% in its budget proposal. All city functions were included in developing the proposal, with most of the cuts in the capital rather than the operations portion of the budget.

In this column I will briefly highlight on the Finance Committee's changes to the department and committee requests. For the most part I avoid numbers altogether, but where I include them they are rounded for sake of clarity and simplicity.

General Fund Revenues were more fully developed than had been seen in September. We had learned the state's formula estimate of shared revenues is the same as for 2010. We had also learned of a \$36,000 increase in state aid for connecting streets. Other revenues were filled in, especially the refuse and recycling charges which at this point are a placeholder pending a renewed hauling contract. In a few places, increased charges and fees are expected to cover city expenses.

General Government expenses were trimmed. This includes a proposal for no new computer equipment. Although we try to regularly upgrade a few computers every year, under a tight budget it made sense to pause the replacement cycle. If a computer actually

crashes and needs to be replaced, we have a purchasing policy which allows over-budget purchases in emergency situations. City Council expenses were reduced. City Hall employees will use a less expensive trainer for CPR renewals. And energy efficiency improvements are expected for the City Council meeting room.

Municipal Court also will participate in the no new computer policy. The court clerk needs a new laptop with greater memory and speed to work with the new Traffic and Criminal Software (TRACS) system. We propose making the upgrade now with a budget amendment in 2010. The judge would also benefit by having a laptop to check statutes and ordinances; for such limited use, we propose using an older surplus computer rather than a new one. Although the request was minor, we propose no raise for court staff; no pay raises is an across the board feature of the proposed budget.

Police Department expenses were reduced in both the operating and capital budgets. Almost \$12,000 is saved by eliminating part-time clerical help. The high school co-op student program provides a great learning experience. And the city has benefitted by its participation; it has been a cost effective means to getting some basic paperwork done. But at this time it is not the right place to spend limited resources.

Similarly, several major purchases are not affordable in this budget. We previously were on a three-year replacement cycle for squad cars. Although one is overdue for replacement, it will have to wait another year. The budget was increased to cover additional maintenance on an older fleet. The no new computers approach carried forward to this department also. A bicycle was requested to improve patrols downtown and during special events; this was eliminated as an unnecessary expense in this budget. Radio and communications equipment needed to comply with new federal requirements were kept in the budget proposal but will not be purchased until late in 2011 when we have a better idea about the state budget and its impact locally.

The Public Works Department was also expected to participate in the tight-fisted budget. Lighting improvements scheduled for this fall will result in decreased electricity use and expense. A small line item was added to the capital budget to make additional long-term investments in energy efficiency in all city buildings for long-term savings. A wood burning furnace was also added to the capital budget; prior estimates had this paying for itself within a couple years, and it has the added benefit of helping dispose of waste wood.

Public Works vehicle fuel and building maintenance expense were reduced to better match actual past needs. Funding for unallocated equipment replacement was eliminated from the capital budget. In the past, the example used to defend this line item has been the hypothetical emergency of a plow needing replacement in mid-winter. As with the computers, this contingency is addressed by the city's new purchasing policy which allows over-budget purchases for emergency situations.

Parks and the Pool had major reductions in their capital budget requests. A replacement park lawnmower will instead be purchased using the 2010 Public Works equipment

replacement funds. Creek wall restoration will continue to the extent that grant or foundation money allows. Unallocated park improvements were eliminated, but in their place \$21,000 is budgeted for shoreline protection and landscaping of Lake Leota. This was fundraised money designated and saved for the lake. A PVC liner for the pool was delayed until well in the future. It may have reduced some water loss and maintenance expenses, but not enough to justify the cost.

There are also opportunities for increased revenues at the pool. Paid advertising on the pool building could be a source of revenue; the Park Board will be asked to consider an advertisement policy. Additional concessions such as a periodic Burger Night could boost revenues for the Park Store. These will come with some expenses, but are expected to show a net profit.

With the Park Store and Pool, I have to note there are a couple other options on the table: The city might rent out the operation and use of the Park Store to a private party. Pool fees still need to be reviewed.

In 2010, the YMCA had to sharply reduce operating hours at the Youth Center when the city reduced its funding. Additional cuts for 2011 made continuing that vendor relation unrealistic. The reduced budget does allow hiring a part-time position to supervise the Youth Center; this will require a lot of volunteer support. I expect the city and school district will resume discussion about the possibility of the school district funding and operating the program through Fund 80 in the future.

In recent years, some advertising and promotion expenses were covered under the Economic Development Committee. These are better suited to a different budget line item for Marketing, so the downtown flowers and publication in the Rock County Guide were shifted there. The city's contribution for fireworks was also shifted there. With the costs of our Discover Wisconsin contract running greater than current proceeds of the room tax, the funding for these Marketing expenses is actually a cash flow loan from the city's General Fund, but it does get these expenses off the property tax levy. A grant from WPPI Energy for community marketing is proposed to pay for republication of the visitor brochure; out of 3000 printed this spring we have around 300 in inventory.

The city had also received a request from the Chamber of Commerce for increased funding to actively pursue Economic Development. The request included the development of a database of all commercial properties to be used in marketing buildings and properties to prospective businesses. This item had also been identified but not implemented by the city's Economic Development Plan in 2008. The budget proposal enables the city to contract with the Chamber to develop the database, and it gives the city and Chamber the chance to partner on a specific and measurable project. Other items in the Chamber's request were not funded for 2011.

Although a relatively small dollar amount, the other budget item of note under Economic Development is funding to join Thrive. Thrive is the economic development enterprise for the eight-county Madison Region. Both the Wisconsin Prosperity Strategy and the

Wisconsin Competitiveness Study promote regional approaches to economic development. And at \$400 per year, Evansville should have already formally joined Thrive.

Minor amounts were trimmed from city appropriations for Historic Preservation, General Engineering, Cemetery, and Library operations. Purchase of a new lawnmower for the Cemetery was also delayed a year; while, other capital projects were delayed further into the future. Emergency Medical Services must have used a very sharp pencil in its original request, as it was the only department that the Finance Committee did not cut further.

The Wastewater Utility had improvements delayed for the lift station at Highway 14 and County Road M; these are not warranted until additional development occurs in the vicinity. Manhole and paving improvements on Maple Street were kept in the budget but will require additional investigation into their funding. No additional changes were recommended for the Stormwater Management Utility at this point.

The Water & Light Utility had its capital requests reduced. Expenditures are premature for the smart grid metering system; funding will not be provided in 2011. The urban rebuild project is ahead of schedule since the utility took advantage of great prices for running conduit underground; funding in 2011 is reduced to \$25,000. A new bucket truck will be financed over three years with the chassis paid for in 2011.

The Finance Committee was very tight-fisted in developing a budget proposal with a 0% increase in the city's property tax rate. This was not meant to discredit the requests of the department heads and committees. The requests were respected – it takes a lot to run this city, and there are a lot of needs.

Since the Finance Committee's budget proposal is in the form of an ordinance. It will have its first reading at the Common Council meeting on October 12. There will be some introductory overview so the City Council knows what is in the proposal. But as a first reading, there will be no action or amendment. It sets a public hearing for November 9. After the public hearing, the City Council will vote on its final budget.

The full budget proposal and other fiscal and tax information are on the city website [www.ci.evansville.wi.gov](http://www.ci.evansville.wi.gov). We have also set up a special email address [budget@ci.evansville.wi.gov](mailto:budget@ci.evansville.wi.gov) for residents and businesses to send their budget comments and suggestions; all comments will be shared with the City Council prior to voting on the final budget.