

### **Budget Starts with Revenues**

The budget starts with revenues. This is the key to making sure we spend within our means.

At the start of this year's budget process, I recommended department heads and committees use a "hold steady" budget target. Any increased operating expense should be matched with a corresponding decreased expenses or new revenue source to keep in balance.

### **Budget Process**

Early to mid-summer, department heads discussed their portions of the 2013 budget with their respective committees. To a large extent, they take an incremental approach. Using a combination of the prior year's budget and the prior year's actual expenses as the base, then making incremental adjustments to that base. We have benefitted by finding efficiencies in our operations, allowing us to manage reduced revenues and tight budgets without cutting services.

By August, they submitted their individual budget requests. The requests were compiled into a preliminary budget. On September 26, the preliminary budget was presented to the full City Council. There was some discussion, but it was really meant to be a presentation rather than a negotiation.

At its October 4 meeting, the Finance Committee revised the preliminary budget into the actual proposed budget. This is THE meeting. The committee, mayor, and myself take active roles discussing the entire budget. Where other committees may understandably take a parochial view of their portions, the Finance Committee takes a big picture view of the entire budget. In the end, the goal is a balanced and responsible proposal.

### **Proposed 2013 Budget**

In this column, I highlight a few of the proposed changes. For the most part I avoid numbers altogether, but where I include them they are rounded for sake of clarity and simplicity.

### **Personnel**

Personnel comprise a major portion of the city's operating expenses. There are wage increases in the union contracts, health insurance premiums are anticipated to go up considerably, and the formula for retirement contributions will have a significant increase for next year. The Finance Committee also included a 1% wage increase for most non-union employees because they had already had two years of wage freezes.

Going into the budget, I noted that the added personnel costs were roughly offset by anticipated cost savings, particularly from reduced general obligation debt payments. It was not an exact match, but I thought close enough to call it a wash. We could afford the anticipated personnel expenses without drastic cuts in operations. This recognition that the personnel costs were basically covered was central to my recommendation that department heads use a "hold steady" budget target.

### **Finance and Administration**

Late in the budget process, we had the idea of redefining our City Administrator and Finance Director positions into a single, combined position; we also discussed creating a new Community Development Director position. Since this reorganization was initiated so late in the budget process, the Finance Committee meeting is where these positions were worked into the budget – at a cost savings.

### **Police**

For several years the police department has been preparing for accreditation through the Wisconsin Law Enforcement Accreditation Group. Accreditation means having standards and procedures consistent with best professional practices and demonstrating adherence to these standards. It involves third-party, peer review to verify compliance. Evansville is committed to professionalism and excellence in all its departments, and accreditation of the police department goes a long way toward that commitment. The budget includes additional staff time, consultant assistance, and costs related to completing the application by fall 2013.

The police budget also includes promoting an existing officer to Sergeant. This position has been vacant since 2007. With a number of newer officers hired the last few years, it will help to have a veteran officer promoted to this supervisory position; the Sergeant is the supervisor during the evening shifts.

### **Ambulance**

Although there were a number of line-item adjustments throughout the Emergency Medical Services (EMS) budget, the bottom line for city and township residents remained at \$21 per capita.

### **Public Works**

Upgrades to the lighting system and the addition of a wood-burning furnace at the Public Works Garage last year have cut electric and heating costs by over half. A new plow truck with wing will be purchased to replace the 1980 plow truck. Funding for routine street maintenance had been cut back the last few years; this is restored in the 2013 budget. During a series of strategic planning meetings the past year, the city council discussed the importance of maintaining our infrastructure to manage long-term costs.

### **Water & Light**

The electric utility will continue to upgrade and bury lines in the older areas around the downtown to reduce outages. Another service improvement is the rebuild of existing overhead distribution lines along Old Highway 92, Croft Road, and South Fifth Street, including a new double-circuit, 3-phase segment. This will be the first in a five-year electrical system improvement plan.

### **Major Projects**

The major project in 2013 involves water, sanitary sewer, and storm sewer utilities as well as street surface: Garfield Avenue between North Madison and North Third Streets.

The area has undersized watermains and a history of sewer repairs. This high traffic street is among the worst for pavement conditions. Much of the project will be paid with cash reserves, a portion will be financed with a bond issue, and some of the costs will be assessed according to the city's assessment policy.

A much smaller, but very noticeable project is at City Hall. Remodeling projects a few years ago on the second and third floors ignored the entry and stairwell. It has broken tiles, needs some cosmetic painting, and better lighting. On the outside, the sidewalk and steps will be replaced to repair heaving problems which prevent the front door from closing properly in the winter. The existing ash tree and spruce tree are proposed for removal to allow for low maintenance landscaping. The cannon with a refurbished barrel is planned to relocate from the park to the front of City Hall where it had originally been located. And a sign will make City Hall noticeable and welcoming to visitors. Because this is a public building in the historic district, these improvements will require review by local and state historic preservation boards.

### **Refuse & Recycling**

The refuse and recycling portion of the budget includes the curbside collection of residential refuse and recycling, curbside brush pick-up, fall leaf collection, and trimming or removing terrace trees damaged by storms. Most of this cost is in the household assessment; which will increase a dollar-and-a-half from \$137.50 to \$139 per year.

We estimate there are around 350 ash trees in the parks, terraces, and other public property. With an average of \$1,000 to remove and replace each tree as they die off in the next few years, the decision was to have these costs borne by the Public Works portion of the budget, supported by general tax dollars, instead of adding to the residential assessment.

### **Parks**

The proposed budget includes continuing the reconstruction of the historic creek walls in Leonard-Leota Park, completing construction of the restrooms and shelter in Westside Park, and repainting the pool at Veterans Memorial Aquatic Center.

### **Planning and Development**

Currently, our City Planner is a contracted consultant in the office one afternoon per week. A new Community Development Director position would allow these services on a daily basis. Additionally, an in-house position would likely provide a more customized approach to updating our Smart Growth Plan and to reviewing other zoning and development documents. The Community Development Director would also provide a "point person" for economic development inquiries and proactive economic development efforts.

### **Tax Increment Districts**

Tax Increment Districts 5 and 7 had shortfalls over \$131,000 in 2012. Districts 5, 6, and 7 will have shortfalls over \$138,000 in 2013. We levy general property taxes to cover these shortfalls. The primary reason for the shortfalls is that our city-wide equalized

value (the state estimated market value) is less than our assessed value. An additional factor is that most of the expenses in the districts have been infrastructure of a general benefit to the entire district; these have proven difficult to pay in the recession economy. Where we have provided direct assistance to individual property improvements, we have contracts requiring the developers to make up any shortfall on their individual project.

### **Property Taxes**

The proposed budget would reduce the city's portion of the property tax rate from \$6.82 to \$6.81 per thousand dollars of valuation. Admittedly, this is not a lot, but it certainly is a step in the right direction. I'm very pleased that the department heads and committees came in with requests that kept to our "hold steady" approach.

### **We're Listening**

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.

The public hearing for the budget is November 13 at 6:30 pm at City Hall, 31 South Madison Street. After the public hearing, the City Council will vote on its final budget.