

PROCEEDINGS OF COMMITTEE OF THE WHOLE
BUDGET WORKSHOP MEETING

Wednesday, September 10, 2008
10:00 AM to 5:00 PM
(tentative)

Call Meeting To Order

The meeting was called to order by Mayor Chiovatero at 10:03 AM.

Roll Call; Declaration Of Quorum; Public Notice

Present: Aldermen Hopkins, Wysocki, Seidl, Harenda, Poshepny, Moore and Ament. Several City employees were also present.

This meeting was noticed on Thursday, September 4, 2008 in accordance with the Open Meeting Law.

Review, Discuss And Possible Action On The Proposed 2009 Department Operating Budgets

Mayor Chiovatero read the following 2009 Budget Summary Highlights:

"As I work to complete an executive summary for the budget, I understand the importance of moving forward and keeping with the budget timeline established. I have worked with Council President Harenda to get the budget out for discussion and to start looking at some areas that policy changes may have to occur.

The budget before you is short \$359,001 of being balanced. Though I am disappointed that it is not balanced, I have made adjustments of over 1.1 million to get to where the budget stands before you. With reductions in revenues, an anticipated increase in health insurance, fuel costs and energy costs, along with hiring of twelve (12) fulltime fire personnel, the only place to make adjustments would be policy issues that I need the council to help guide the staff and me in making. The budget before you represents services for the most part at levels that our citizens current enjoy in the areas of public services. I have instructed 6 departments to review their budgets and return with 5-10% cuts. All but two have complied and were successful. The two that were unable to meet my request, did come with decreases, but council and policy decisions have prevented them from complying more.

Revenues.

This year's revenue is down \$369,862. Shared revenues are down \$74,189, and licenses and permits \$159,275 due to economy driven factors. Also our interest on investments is down \$100,000 because of the lower rates.

Expenses

This is mostly driven by increases in doing business in the current economic situation that face businesses and our taxpayers, healthcare, energy and fuel. We are restricted to a levy increase of \$437,516.06 using the 2% cap. With the following increases, this cap is used up and exceeded. City costs have risen with many vendors and companies passing on these same increases to their customers.

Increases

Health Insurance	\$410,000
Energy	\$25,000
Contingency	\$740,000
Fuel	\$250,000
Salt	\$66,000
Public Fire Protection	\$51,000
Fire (12 employees)	<u>\$781,737</u>

Total Increases \$2,323,737 (These are the 7 major increases throughout the budget)

Health Insurance. Hopefully after last year's big increase we will be able to keep down cost but still have to plan for a 15% increase at \$410,000.

Energy.

Electric and gas has estimates depending on the information provided to be in the range of 5-6% to 15%. The school District has increase its energy cost by 50%. We plan on about \$25,000 increase but hope to hold our cost through many initiatives that have been installed or made throughout the year.

Wages.

Every year this is a challenge. With 3 union contracts expiring at the end of this year, some adjustments to contingency were made to cover anticipated costs depending on outcome or negotiations.

Fuel.

The last couple months our usage has declined due to many measures that have been instituted through out the city and individual department policies. We are going to be short about \$100,000 in the 2008 budget. This year includes a \$250,000 increase and I have backed that off with hesitation.

Public Fire Protection

This year our payment for Public Fire protection will double due to the introduction of Milwaukee water to the remaining area of New Berlin's Utility. This fee is set by the PSC and based on calculations. This should be looked at in the future as to how this is charged to the community.

Personnel.

For every person that leaves employment from the City of New Berlin, their job is evaluated and determined if fulltime hours are necessary to do the job effectively or if the job can be eliminated and absorbed internally and spread among others. Criteria is based on our internal and external (taxpayers) customers without significant deviation or disruption of services. This has been a practice for several years in the City and examined heavily the last three years. I have eliminated two positions in Planning/Engineering. The Inspection Services Manager and a Clerk /Typist. I have also removed the funding for the vacated Asst. Chief Position in the Fire Department. I am currently looking for solutions to a couple other vacated positions but do not have all the information to make an immediate decision. I have also cut about \$22,000 from conferences and training this year.

Fire Department.

This year's addition of fulltime personnel to the Fire Department has added \$715,737 for the 2009. This does not include the added costs that were brought forth with last years hiring and paid-on-call hours/salaries needed to continue our service commitment.

Larger changes by Department

Finance had asked for additional personnel that was eliminated through the budget process. Due to heavier GASB requirements, they have asked for another professional accountant. I have declined this request.

Additional income is being brought in with an anticipated \$18,135 CVMIC Dividend. This is the first year we will enjoy this dividend by being part of this organization.

Facilities

Most adjustments were made in the area of energy to better reflect some of the energy savings action we have done throughout the City.

Police

Cuts in vehicles, training increase and payroll. There was a \$50,000 cut in Police payroll based upon the history of the past three years. The Chief and I agreed on this revision.

Fire

Elimination of Asst Chief Position for 2009. I will evaluate this position in 2010 after review of department structure. Training budget cut of \$10,000 and \$10,000 cut in uniforms and equipment.

Inspection Services Division

Elimination of Inspection Services Manager position.

DCD

Elimination of Clerk/Typist position.

Planning Services

Part time Planning payroll maintained at 2008 level.

Streets

Fuel adjustment made. Overtime adjustment made based on history.

Park and Recreation

Adjustments made throughout.

P&R Administration

With great pain, the elimination of the Leaflet. I hope to be able to provide some news on the new Webpage and cable access.

NBAA

Cuts to their Budget of \$20,000. Again this was a very painful move but felt that we needed to look at the funding of this. Both the P&R Director and I discussed this at length and needed to balance the budget. It was felt that the NBAA may be able to limp through this with minimal impact to the programs. I hope that we can return this in future budgets.

Fourth of July and New Berlin's 50Th Anniversary.

Funding for the Fourth of July and New Berlin's 50Th Anniversary will be through the Reserve fund for the Fourth of July. We hope to combine the celebration and make this year a memorial event for both the City and our Citizens and we look into the future.

This is a quick summary of the budget before you. I hope to have the executive summary done very soon. I think you will find this to be much more detailed and helpful in reviewing the 2009 budget. The department heads and I will explain in more detail with your questions."

There was discussion on several budget items. Aldermen requested the Mayor continue to work with Department Heads to get to a balanced budget and then come back to Council.

Motion to forward 2009 Operating Budgets to Common Council

No action taken.

Adjourn

The meeting ended at 12 Noon.

Respectfull submitted:

Marilyn Gauger, MMC
City Clerk