

**PROCEEDINGS OF THE CITY OF NEW BERLIN
COMMITTEE OF THE WHOLE
BUDGET WORKSHOP MEETING
Tuesday, October 6, 2009
1:00 PM**

Call Meeting To Order

Mayor Jack Chiovaturo called the meeting to order at 1:05 PM.

Roll Call; Declaration Of Quorum; Public Notice

Present: Aldermen Hopkins, Wysocki, Seidl, Harenda, Moore and Ament. Also present: City Clerk Gauger, Police Chief Joe Rieder, Administrative Supervisor Kaye Giesegeh, Fire Chief Ed Dobernig, Administrative Manager Deb Delikat, Facilities Management Director Bob Schulpus, Facilities Management Supervisor Ernie Giesegeh, Assessor Paul Koller, Community Development Director Greg Kessler, Planning Services Manager Nikki Jones, Finance Director Mike Holzinger, IT Director Nick Roethel, Human Resource Director Tami Potkay, Library Director Katie Schulz, Parks Recreation & Forestry Director Mark Schroeder, Parks Supervisor Andy Reshel, Recreation Supervisor Jon Stolz, Streets Manager Don Ullman, Administrative Supervisor Sue Hanley, City Engineer JP Walker, Inspector and Emergency Management Director Scott Schulpus, Mayor's Interns Rula Jabbour and Jacob Krueger.

This meeting was noticed on Wednesday, September 30, 2009 in accordance with the Open Meeting Law.

Review, Discuss And Possible Action On The Proposed 2010 Department Operating Budgets

Mayor Chiovaturo provided 4 handouts to Council members - outsourcing information from Human Resources, IT and Park Recreation & Forestry and information regarding questions asked of Police Chief Rieder at the last budget meeting.

FINANCE DEPARTMENT BUDGET

Mayor asked if any questions for Finance Director Mike Holzinger as he was not available at the last meeting.

Discussion followed on: arbitrage relative to potential penalties – per Director the following percentage is required within 6 months -10%; within 1year - 45% and within 18 months - 75% and within 2 year period should have spent 100% of the dollars borrowed; arbitrage penalty amounts; who is watching so that doesn't happen – finance staff does not have the time - person bringing forth projects should be aware of conditions – all have been made aware of over the years; internal service fund; tax increment fund and impact fee fund.

Finance Director Holzinger indicated he sent out an update regarding the 2010 Road Aids. We need to add \$14,416 to the proposed budget.

Motion by Alderman Hopkins to add \$14,416 to Account No. 01010100-41080 Road Aids. Seconded by Alderman Harenda and carried unanimously.

Mayor Chiovaturo indicated he met with 2 unions and the Fire Department representatives and is meeting with the Police union tonight. The union representatives have questions and concerns and would like to be able to address their concerns to Council. There is a meeting scheduled for tomorrow at 4:00 PM with the union representatives and council. This is information exchange only, nothing else. Based on information from Finance Director Holzinger when you take away any increases for salaries and benefits, we would be down \$355,000 resulting in a new tax rate of \$5.19 versus the current \$5.26. The mayor will provide Council members with all the new amounts as listed on the email dated September 15th. He asked Council members to remember we (the city) are the lowest tax rate in the state for a city our size. He is looking for a target from Council – what is acceptable? Based

on the assessed value of my (Mayors) home, the tax increase is \$75.00 however it was brought out later that amount does not include any increases that may come from County, WCTC etc.

Discussion followed on: zero percent increase; when was it indicated a zero percent; zero percent was requested back in March and April; things are not going to get any better; don't believe this meeting with the unions is in the best interest of the city; we need to move forward; need public hearing; backs against wall to get tax bills out; other cities are still negotiating contracts and our city is done with contracts; new development is down; need to get over the hump; may take 5-6 years to recover; operational budget that is going up 2.15 percent - small amount when recognizing all contracts were (voted) unanimous; hats off to staff and mayor for putting out budget that is very small when 70-80 percent of costs is personnel; overall budget including debt is 3.16 percent; levy increase is more than 6 percent; during the time we negotiated contracts we knew the economy was going down and still approved those contracts; when contracts ratified did not know the budget implication; with the third contract we were backed into a corner because we ratified the first two; not asking employees to do any more - not asking them to cut - either freeze or help us here; reference to what city of Milwaukee and AFSCME leaders were doing; a large part of roadway maintenance was put in CIP budget; we are taking also from reserve; comprehensive plan expenses; unions need to help or layoffs will occur; mayor needs to assist so as not to effect core services.

Mayor Chiovatero indicated this is the first time he heard a 0 percent increase in operating budget. Discussion followed on if and when zero percent was brought forward; surplus that was used in the last 9 years and return of said surplus; need to cut services with a zero percent increase; not good to go back and point fingers – have to deal with the facts we have before us and we have a budget crunch now; can't say a 0 percent increase is okay – we don't know what is going to occur; things we are putting off are at issue; have to spend some dollars due to cost of services; need unions help; staff have done an excellent job; outsourcing – is it in our best interest, probably not; this work has to get done in a hurry.

Mayor Chiovatero indicated if we get unions to cooperate and some retirement possibilities can get very close to what you are discussing. We are still working with insurance and got them down to what we are looking for but needs to be discussed at union level. Discussion followed on: what this body has does in the past; fire department employees in the budget without a referendum - people need to understand there is a cost there; we have built up this surplus fund to help us; don't want that type of commitment for the future; employees is not the problem, they are part of the solution; have to work this thing through on a positive plan.

Possible action to forward 2010 Operating Budgets to Common Council

No action taken.

Review, Discuss and Possible Action on the 2010 CIP Budget

No action taken.

Possible action to forward 2010 CIP Budgets to Common Council

No action taken.

Adjourn

Motion by Alderman Wysocki to adjourn at 2:16 PM. Seconded by Alderman Seidl and carried unanimously.

Respectfully submitted:
Marilyn Gauger, MMC
City Clerk