

2009 Operating Budget Meets the Challenge

By Mayor Dave Cieslewicz

The Most Challenging Budget in Decades

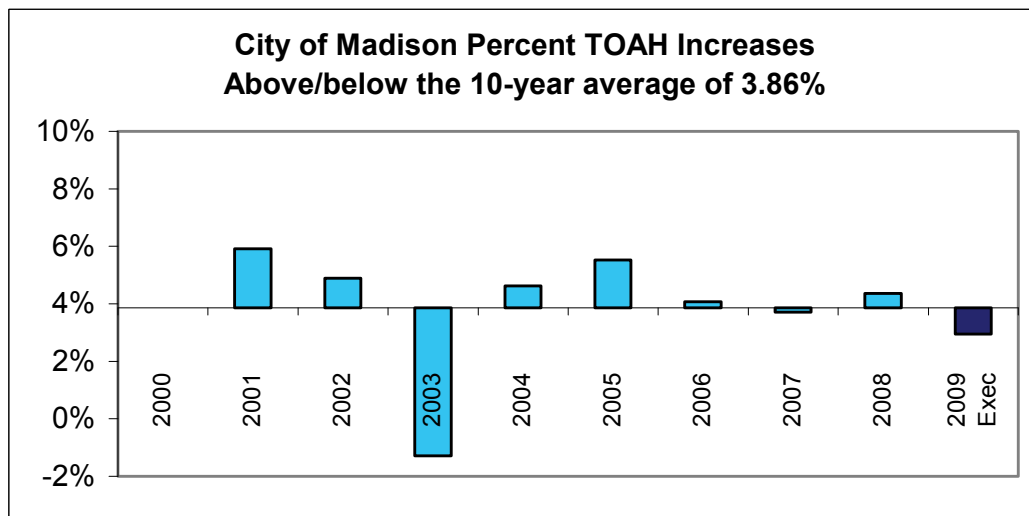
The 2009 City of Madison operating budget is the most challenging we have faced in a decade or more. This year, soaring fuel costs and a deeply troubled economy combine with the ongoing challenges of continuing increases in health care costs and the need to keep up with infrastructure and public safety demands. Some statistics make the problem clear:

- Fuel costs are up over 40% from \$5.9 million to \$8.4 million.
- Revenues from investments are projected to fall \$1.25 million.
- Revenues from building permits are projected to fall by \$1.5 million.
- Debt maintenance is up by \$4.2 million.
- Health insurance costs for our employees are up 7% or \$1.6 million.
- Modest wage increases of about 3% still result in payroll increases of \$3.4 million.

A Budget That Meets the Challenge

We also have to keep in mind that our taxpayers are experiencing the same financial woes as the City. So, against this difficult backdrop I am offering a 2009 City budget that will:

- Keep taxes on the average home to an increase that is well below inflation. With inflation running at 4.4%, my budget increases taxes on the average home by 2.95%. This is the smallest increase in my six budgets and the second lowest in a decade.



- Keep my promises to not cut police officers, firefighters or crossing guards.
- Keep my commitment to open a new fire station as well as hire and train the firefighters in 2009 needed to add a new paramedic ambulance in 2010.
- Fully fund the important Neighborhood Indicators Project to help us better understand our neighborhoods, tailor solutions to a neighborhood's particular characteristics, and give us early warning signs of stress so that problems can be addressed quickly, effectively and less expensively.
- Keep all of our libraries and parks open and fully staffed.
- Make progress on economic development initiatives to help our economy through a difficult period.
- Do all that without relying too heavily on the City's rainy day fund.

Hard Choices & Innovation

We could not have achieved these results without some innovative approaches and some difficult trade-offs. These include:

- Accepting more than 50 agency cut proposals, totaling \$1.3 million.
- Cutting over 20 City staff positions, including four management positions, by responsibly consolidating services.
- Reducing large item pickup to twice per month to save both fuel and personnel costs.
- Giving WYOU two years to transition out of City Public, Educational and Governmental (PEG) funding, freeing up \$70,000 for property tax relief in 2010.
- Adding bus service, increasing support for low-income bus riders, increasing security at transfer points, increasing marketing for Metro and restoring a reserve account for Metro as the result of a necessary fare increase.
- Funding the Neighborhood Indicators Project through a one-time cut in the Neighborhood Planning Grants Program.
- Taking a five percent cut in the City subsidy portion of Overture Center's budget and requiring that these funds be placed in Overture's long-term reserve to protect taxpayers against the recent dissolution of the Overture trust.
- Finding \$100,000 in cuts in the Monona Terrace budget and then reinvesting that money into Monona Terrace promotion to bring in more business in a tough and more competitive environment.

- Calling a one-year slow down for traffic calming projects, while we evaluate the program.
- Providing no increase in Community Service contracts but funding them at 2008 levels without cuts.
- Capturing a sustainable \$1 million in City room tax revenue for property tax relief.
- Cutting our Alliance of Cities membership and replacing it with more effective, direct representation in the Capitol, saving \$10,000 in the process.

Looking Beyond 2009

This budget keeps taxes in check, maintains my commitment to basic services, and spreads out the cuts needed to accomplish those goals in a way that does not fall too heavily on any one group. In addition, by making some hard choices this year, not relying too heavily on our rainy day fund and not tapping one-time sources of revenue, this budget positions the City well for 2010 and future years.

Eventually, the national economy will recover, and we will move beyond our dependence on fossil fuels. My 2009 budget and efforts outside of the budget process are designed to position us to take advantage of that recovery by looking forward:

- We will continue our commitment to energy conservation and renewable fuels to power City services.
- We will continue our efforts to constantly search for new efficiencies and better ways of doing our work.
- We will keep reducing our contributions to global climate change.
- We will continue to plan for better customer service through more web-based applications and eventually, a Dial 311 or other first-call-for-service hotline.
- We will keep exploring ways to work with our municipal neighbors and the County.

With everything happening around us, it is not easy to be optimistic about our future. But I am. By respecting one another, listening to each other and finding solutions together, we will come through a challenging period stronger than we were before. I offer this budget in the hopes that it can help us accomplish that goal.