



Legislation Text

File #: 090043, **Version:** 2

090043
SUBSTITUTE 2

THE CHAIR

Substitute resolution approving a 2009 Budget Management Plan.

This resolution approves a 2009 City Budget Management Plan to adjust 2009 expenditures and plan for the 2010 City Budget in the face of increased annual costs of continuing baseline services and lack of revenue growth to fund services, including:

1. Continued review by the Department of Administration Budget and Management Division of requests to fill vacant positions to achieve at least 200 full-time vacant Operating and Maintenance-funded positions in the general city employee category by December 2009.
2. Suspending a total of approximately \$1,527,000 from the salaries and wages account of various city departments as a result of implementation of a furlough program enacted under ordinance File Number 090102.
3. Directing city departments not to exceed funds budgeted for Energy in the "line item budget" for any other purpose other than energy expenses, unless the Department of Administration Budget and Management Division provides prior approval in writing for such expenditure.

The resolution also directs the Budget and Management Division to report on the implementation of the 2009 Budget Management Plan and its progress toward achieving its objectives to the Common Council's Finance and Personnel Committee at the regularly scheduled December 16, 2009 meeting, as well as any other time the committee directs.

Whereas, The City of Milwaukee's 2009 Budget has experienced an ongoing imbalance between the increased annual costs of continuing baseline services and the lack of revenue growth to fund services; and

Whereas, The inflation-adjusted value of shared revenue to Milwaukee has decreased by approximately \$60 million since 2003, and the City expects to lose additional shared revenue as part of the 2009-2011 State Budget; and

Whereas, 2008 investment losses for the City's Employees Retirement System are expected to result in an increased City contribution of at least \$49 million in the 2010 City Budget; and

Whereas, In 2008 the City experienced approximately 107 inches of snowfall and expended approximately \$15 million for snow and ice removal operations, resulting in 2009 contingent borrowing of \$2.7 million that will increase City debt service over the next 2 years; and

Whereas, 2009 first quarter snow and ice removal expenditures consumed approximately 70% of the 2009 operating budget allocated for that purpose; and

Whereas, The City's Tax Stabilization Fund balance has declined to approximately \$25.5 million for the 2010 Budget, which will limit the City's future budget flexibility; now, therefore, be it

Resolved, By the Milwaukee Common Council that a 2009 Budget Management Plan is approved in order to achieve the following objectives:

1. Achieve an expenditure lapse of at least \$13 million that would be available for regeneration into the 2011 Tax Stabilization Fund balance as well as for potential carryover, on a limited basis, into 2010 to avoid future service reductions that would otherwise occur.
2. Achieve at least 200 full-time Operating and Maintenance (O&M)-funded position vacancies in the general city employee category by December, 2009, in order to reduce the City's 2010 budget exposure for salary and Unemployment Compensation expenditures and to improve budget flexibility.
3. Ensure that the City has sufficient O&M funding available for snow and ice removal operations in the fourth quarter of 2009.
4. Enable a cancellation of all or part of the debt related to the \$2.7 million of 2009 contingent borrowing that occurred as a result of exceedingly high expenditures for snow and ice operations during 2008.

; and, be it

Further Resolved, That the following actions are authorized and directed in order to achieve the objectives of the 2009 Budget Management Plan:

1. Continued review by the Budget and Management Division of requests to fill vacant positions under s. 18-10-6-c-3, City Charter, in a manner consistent with achieving the objectives of the 2009 Budget Management Plan.
2. Consistent with s. 18-06-13, City Charter, suspension of appropriations from salary accounts of approximately \$1,527,000 in various City departments as enumerated in Exhibit A (attached to this file) as a result of implementation of a furlough program, pursuant to the passage of Common Council File Number 090102, an ordinance implementing mandatory furloughs, the details of which are further specified in Exhibit B attached to this file; provided that these furloughs are consistent with the provisions of s. 350-116-4, Milwaukee Code of Ordinances.
3. Departments shall not expend funds budgeted for Energy in the "line item budget" for any purpose other than energy expenses, unless the Budget and Management Division provides prior approval in writing for such expenditure. The Division shall report any such approvals to the Finance and Personnel Committee on a monthly basis.

; and, be it

Further Resolved, That the 2009 Budget Management Plan shall contain an adjustment to the 2009 Snow and Ice Removal Cost Recovery Charge, as provided by s. 309-83, Code of Ordinances, in

order to achieve objectives 3 and 4 of the Plan, to be implemented in File Number 090044; and, be it

Further Resolved, That the Budget and Management Division is directed to report on the implementation of the 2009 Budget Management Plan and its progress toward achieving its objectives to the Finance and Personnel Committee at the Committee's regularly scheduled December 16, 2009 meeting, as well as any other time the Committee chooses to direct.

Budget and Management Division
MN:BF10-3C
April 27, 2009

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