



Office of the Mayor

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July 13, 2009

TO: City Department/ Division Heads

FR: Mayor Dave Cieslewicz

RE: 2009 Operating Budget Guidelines

It will come as no surprise to any of you that we face the toughest fiscal environment in my seven budgets. Our current estimate is that a simple cost to continue budget would result in an unacceptable 13% increase on the property tax levy. Revenue is down in virtually all categories: building permits down \$700,000, investment income down \$1,750,000, state aids down at least \$1,500,000 and room tax revenues down by a greater percentage than any other period on record.

Of course, as always, we will deal with these challenges. Just as last year, our goal will be to protect basic services and to maintain our current service levels wherever we can. This is not the year for new spending or new positions.

We will follow the same process as last year. I will ask you to submit your operating budgets based on an adjusted base given to you by the Comptroller. Then I will ask you to submit suggested cuts equal to 6% of your adjusted base. This is the largest cut plan I have ever asked for from you, but it reflects similar guidelines that have been issued from other levels of government this year.

Just as last year, this will be our process:

1. The Comptroller's Office will work with you to establish an adjusted base budget for your agency.
2. Your adjusted base will serve as your budget ceiling. You may not submit a budget that exceeds your adjusted base amount.
3. Any new positions or programs must be funded by cuts in other parts of your budget or through new revenues from sources other than the City's general fund.
4. In addition to your adjusted base budget, I am asking you to submit a list of potential cuts up to an amount equal to 6% of your adjusted base. You should arrange these cuts in order from those that would have the least impact on the services you provide down to the ones with the most impact. My goal will be to find ways to keep your adjusted base budget intact. Your cut plan gives us a menu of options should cuts become necessary.
5. Budget submissions are due to the Comptroller by 4:30pm on Friday, August 7.
6. The executive budget will continue to be tied to the outcomes identified in the Madison Measures program. Andrew Statz will be working with you to incorporate these goals into your budget submission. Other staff in my office will work with you as well during development of your budgets.

Budgeting is never easy, and this year will be our biggest challenge ever. But we have excellent managers and frontline staff. We have met challenges before and I am confident that, working together, we can meet them again. My hope—and there is some evidence that it is not just a hope -- is that 2010 will be the worst of the recession years and that future budgets will be somewhat brighter. We can all look forward to better days.