

**CITY OF MADISON**  
**Common Council**  
**INTER-DEPARTMENTAL CORRESPONDENCE**  
**210 Martin Luther King, Jr. Boulevard, Room 417**  
**Madison WI 53703**

DATE: August 6, 2013

TO: Common Council Organizational Committee Members

FROM: Lisa Veldran, Legislative Administrative Assistant, Common Council Office

SUBJECT: **Proposed 2014 Common Council Office Operating Budget**

Ald. Chris Schmidt, Common Council President, requested that I prepare a memo detailing potential reductions to the Common Council Office budget if the Council did not submit a cost-to-continue budget.

Mayor Soglin requested that city agencies submit 2014 Operating Budgets not to exceed 2013 amounts and also submit an alternate budget that includes specific proposals to reduce requested budgets by 3%.

- o The Common Council's 2014 Operating Budget target is \$402,785 (based on 2013 Budget)
- o The Common Council's 2014 Operating Budget 3% target of that amount is \$12,084
- o The Common Council 2014 Alternate Operating Budget target would be \$390,701
- o The Common Council 2014 Proposed Budget (cost to continue) is \$411,983

**2014 Operating Budget WITHOUT 3% Reduction**

2014 Proposed Budget (cost to continue)	\$411,983
2014 Operating Budget (based on 2013 Budget)	\$402,785
<b>Total Reduction</b>	<b>\$ 9,198</b>

**Suggested Reduction(s)**

Reduce Travel/Conference Account (\$1,000) <i>Deduct \$450 from each \$1,000 alder allotment</i>	<b>\$ 9,000</b>
Reduce General Office Supplies	<b>\$ 198</b>

**Alternate 2014 Operating Budget WITH 3% reduction**

2014 Proposed Budget (cost to continue)	\$411,983
2014 Operating Budget (with 3% Reduction)	\$390,701
<b>Total Reduction</b>	<b>\$ 21,282</b>

**Suggested Reduction(s)**

Reduce entire Travel/Conference Account (\$1,000)	<b>\$ 20,000</b>
Reduce CCOC/Travel/Conference Account (\$5,000)	<b>\$ 1,282</b>

Link to 2013 Adopted Operating Budget:

<http://www.cityofmadison.com/finance/budget/2013/2013opbud.cfm>



## Office of the Mayor

Paul R. Soglin, Mayor

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July 8, 2013

To: Department and Division Heads

From: Mayor Paul R. Soglin

Subject: 2014 Operating Budget

Once again there are a number of external factors that will impact the city's 2014 operating budget.

The recently adopted state budget contains provisions that will affect the city financially.

Although state government is projecting a surplus of over \$1 billion, the 2013-2015 state budget does not restore the dramatic cuts in state aids to local government services from the last legislative session. While state government spending will increase at over twice the rate of inflation, funding from the state for local revenue sharing, transportation and transit assistance, and payment for municipal police and fire protection services to state government and University of Wisconsin facilities are flat in 2014.

Meanwhile, at the local level, costs for fuel, insurance, and infrastructure continue to increase. At the same time the state has continued to limit our ability to raise local revenue for local priorities. The state-imposed levy limit, which does not even increase at the rate of inflation, remains in effect.

The Finance Department estimates that costs for one-time revenue and savings items in the 2013 budget, already scheduled employee pay increases from the March, 2011 labor agreements, anticipated health insurance premium costs, city fleet and Metro Transit fuel costs, debt service on city capital borrowing, and full funding for staffing the new far-east side fire station are expected to total over \$12 million.

In addition, there will be four elections in 2014 which adds an estimated \$500,000 to the Clerk's Office budget.

Taking these and other factors into account, the Finance Department projects a difficult gap between revenues and expenditures, particularly if we wish to address neighborhood development issues, poverty, the digital divide, and food policy.

While the gap is smaller than 2012 and 2013, it is still a large number that forces us to look again for any possible savings. I hope that we will be able to maintain essential city services next year as well as address issues relating to poverty in Madison. Boosting employment and stabilizing neighborhoods are key elements in strengthening our community, which will help our city budget in the long run.

As you work with the Finance Department to prepare your agency budget requests, overall funding should not exceed 2013 amounts, except to fully fund already enacted commitments and certain cost-to-continue items. You should also prepare an alternate budget that includes specific proposals to reduce your requested budget by 3%.