



City of Racine

Meeting Minutes - Final

Common Council

City Hall
730 Washington Ave.
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*Alderman Jeff Coe, Alderman Robert Anderson, Alderman Michael Shields
Alderman Jim Kaplan, Alderman David L. Maack, Alderman Sandy Weidner
Alderman Raymond DeHahn, Alderman Q.A. Shakoor, II, Alderman Pete Karas
Alderman Thomas Friedel, Alderman Gregory Holding, Alderman Aron Wisneski
Alderman James T. Spangenberg, Alderman Ronald D. Hart, Alderman Robert Mozol*

Monday, October 22, 2007

7:00 PM

Room 205, City Hall

SPECIAL COMMON COUNCIL MEETING

A. Call To Order

PRESENT: 14 - Anderson, Shields, Kaplan, Maack, Weidner, DeHahn, Shakoor II, Karas, Friedel, Holding, Wisneski, Spangenberg, Hart and Mozol

EXCUSED: 1 - Coe

B. Pledge of Allegiance To The Flag

Mayor Becker led the Council in the Pledge of Allegiance to the Flag.

[07-1284](#)

Subject: Communication from Mayor Becker submitting the 2008 proposed budgets for the General Fund, Special Revenue Funds, Capital Projects Funds, Debt Service, Enterprise Funds, Utilities, and Internal Service Funds.

Dave Brown, Finance Director gave a brief synopsis 2008 Budget Assumptions.

Mayor Becker presented the 2008 Budget.

Dave, thank you for giving us the background and the assumptions we used in putting together the 2008 City of Racine budget.

It is again an honor to stand before you and present my fifth budget. I want to thank all of the administrative managers, division managers, and the staff in the finance department for working together to help put this together. This is almost a 3-month process starting in July.

The goal of making Racine a great Midwest City is always kept in our decision-making process.

The budget is the document that implements the policies to reach our goals. As you are all aware, the presentation of the budget is a little later than last year. The reason for this is we were hoping the state would fulfill their responsibility of passing a state budget. What they do can dramatically impact those of us at the local levels of government.

I finished the city budget on Thursday and had to have a meeting on Saturday afternoon to redo sections that were impacted by the budget agreement that was struck by Madison on Thursday night.

There is both good news and bad news for Racine in the state budget.

- *The proposed increase in shared revenues was scrapped.*
- *Levy limits were extended for another 2 years.*
- *It is interesting to note that Madison increased the state budget by 8% but feel local government should only be entitled to a 2% increase. They demand we do what they could not.*

The positives in the budget are that the proposed decrease of 12% in Racine's shared revenues was scrapped. \$400,000 is in the budget for 6th Street enhancements as that street is rebuilt. And \$250,000 per year for work to reduce the high infant mortality rate in the Racine area was included, thanks to our local delegation.

I want to say "thank you" to those that represent the city in Madison, Senator John Lehman and Assemblymen Bob Turner and Cory Mason. I know they fought hard for their constituents here in the city of Racine.

The budget that is presented tonight proposes the elimination of 10 positions. Once again these are spread out among all areas of city government. The budget as presented eliminates 1 police position, 3 fire, and the other 6 from various departments.

Public safety remains my number one concern. There is no elected official that ever looks to cut public safety employees. However, I have pledged to keep a balance of the services we deliver. Last year no positions were cut in the Fire Department and only one sworn officer position was reduced in the Police Department. In a perfect world we would not have to make any reductions, but with the current state of local finances it is obviously not a perfect world we live in.

Another goal in the Police Department this year is to bring much of the parking ticket operation back in house. We are currently working on a unique arrangement with our vendor which should save money and greatly improve our customer service levels. To accomplish this there is proposed \$50,000 for hand held ticket machines for the squad cars.

For the first time in a number of years I am proposing the addition of 2 new positions. The first position is in City planning and Development. I feel this position is needed for a number of reasons.

1. *The amount of time to administer our federal grants has dramatically increased.*
2. *The amount of Brownfield redevelopment continues to grow.*
3. *The number of developers interested in Racine keeps increasing.*
4. *Our emphasis of redeveloping our neighborhoods and business districts continues. To expect current staff to handle the added workload has become unrealistic and therefore a generalist position to help on a variety of issues is proposed.*

The second position which is initially funded starting in May of 2008 is the position of "grant administrator". This is a position a number of aldermen have asked about over the years. This position is proposed to be in city administration in the mayor's office. This person will work with our federal and state grants which take considerable time. While this is proposed as a new position, we currently have a person doing this work. Unfortunately, she has plans to retire mid-year 2008.

In addition to administering state and federal grants I envision this person working to develop ties with private foundations and working in the community with the NGO's to help facilitate collaborations and working partnerships. I am convinced this position can pay

for itself many times over.

A major item we are removing from the regular budget is sanitary sewers. This is an issue that virtually every alderman deals with at some time. We all know when these fail they become a burden to our residents and can create financial hardships. The cost of sanitary sewer will be covered by a \$50 per residence fee once per year. This will generate enough revenue to maintain an aging infrastructure and cover the cost of all lateral failures beyond the property line of the property owner.

There are two departments that I am proposing to run differently than in the past. The first is Human Resources. In talking with other mayors I learned a number of cities have merged HR with the legal department. Much of the work is done jointly; mediations and arbitrations, grievances, contract negotiations, affirmative action and equal rights matters, family medical leave act issues, workers compensation claims, HIPPA questions and fair labor standards act issues to name but a few. To be able to run more effectively and efficiently I am proposing the elimination of the director of Human Resources and the merging with the Attorney's office.

The other major change proposed is in Management Information Systems – MIS. We currently have about 1/3 of this department's work done by outside contractors. This budget proposes that all but the director and one position that we are contractually obligated to keep are contracted out to a professional IT staffing contractor. We have had preliminary discussions with the vendor the county uses to do this. All current city employees will be offered jobs with whatever vendor we choose to work with.

I believe this is the right way to go because of the nature of the IT business. As we all know it is ever changing at a speed that is hard to fathom at times. By having an outside contractor they will be able to supply the skill sets that are needed to implement specific projects. The director will remain an administrative manager, and will be in charge of executing the contract and ultimately for the delivery of all IT services.

There is a proposal to eliminate one community center director. Humble Park would be overseen by the director at Tyler-Domer. Half of the savings from this position will be put into additional programming at the centers. In addition, the center directors and recreation staff are aggressively looking for partners to help strengthen the programming we have at the centers. After discussing this with staff I could not justify a full-time position which costs tax payers nearly \$90,000 at Humble Park. I am confident with a fresh approach at partnering that our centers will be the best neighborhood resource that is possible.

The main reason we are eliminating only 10 positions is the ability to control healthcare costs. We are still self insured but MEI, which is our group of local businesses and governments, has negotiated with United Health Care to bring rates down. While the plan and benefits will not change, our plan administrator will switch to UHC on January 1st. We anticipate that health care costs in 2008 will be the same as this year. We will continue to look for ways to save dollars and to strengthen our wellness program to help our employees stay healthy.

Each year the budget contains changes. Over the past 4 years there have been many changes. We have reduced our city payroll by over 100 saving millions of dollars. With the consolidation of the Attorneys office and Human Resources we will be at 12 administrative managers versus 16 four years ago making coordination of work easier. We have reorganized neighborhood inspections and the result has been neighborhoods that are constantly being improved.

The lab in the Health Department was closed and all residents still have access to the services we provided through other providers and saving the city thousands. The list goes on but virtually every change we have made has provided cost savings to our taxpayers and efficiency to our operations. And when a change does not work out we admit and fix the situation as we did with the bulky waste site.

The other piece of this budget being presented tonight is the Capital Improvement Plan. The first step in this process is to determine the amount of debt the city can comfortably handle. We look at current year and then all the way out to year twenty. We then determine the amount of borrowed money we can sustain. Currently staff and I feel that bonding of between \$7.5 and \$8 million is the proper amount. At this point we start the process of prioritizing departmental requests.

You will notice that we are at our target for the five year plan. Only the 2008 year becomes part of the city budget, the remaining 4 years are just a plan and no appropriations are included in this year's budget.

Approximately \$4 million in requests have been cut from each year of the CIP. As you will see we have a relatively level 5-year plan that stays under the targeted amounts.

The majority of CIP dollars are used to maintain what we already have. Keep our buildings in good condition, repair infrastructure; i.e.: streets, sewers, street lighting, pathways, etc.

In continuing to provide improved service to our customers we are proceeding with the City Hall renovations. The next phase will bring the Department of Planning and Development into one office and in the same building. They will take over the Clerk's office old space. This will give them a better location for the many loan program participants who they see on a regular basis. They will consolidate from two different offices to one where it will be easier to serve the public and to share resources and personnel.

In addition the old Finance space will be redone so Human Resources can move into there and 2 offices in the legal department can be moved to make room for a permanent office for the city administrator.

An area of increased spending is in our parks and community centers. Each of the last two years I have proposed and this council approved additional dollars to Parks to upgrade our facilities. This year I have again included nearly \$200,000 above the requested amount to improve our parks, playgrounds, beaches, ball fields and community centers. These areas should be great as they are what people see when they are out in our city, and they are a resource for all to use and enjoy.

Community Development continues to be a top priority. Facade grants continue to be eligible in all areas throughout our city. Brownfield cleanup and redevelopment continues as we finish up the former Jacobson site, work to move West Racine ahead, and negotiate with the owners of the former Racine Steel location. Our commitment to our commercial corridors continues to grow. We will continue to work on Douglas Avenue, West Racine, State Street and of course Uptown as we get ready to kick off the artist relocation program.

The rest of the CIP budget is just not very exciting. It repaves parking lots, puts roofs on buildings, rebuilds streets and the rest of the mundane work of maintaining our

infrastructure. However, I do want to point out that while it may not be exciting new projects, it is absolutely critical to the long term health of our city that we do not neglect our building and infrastructure.

Before closing I want to mention what a tremendous job the staff here at the city does. I receive compliments on city workers many more times than complaints. When people come to visit, almost all comment on the cleanliness of our city. People often comment on the friendliness and cooperation they feel when dealing with our front line service people. Developers tell me what a pleasure it is to work with a city focused on getting things done. I could go on and on about the great service I hear about from every department in this city. To every city employee I say "thank-you" for your public service and to making Racine great. I personally feel it is a noble cause.

So, ladies and gentlemen I lay before you the 2008 Mayor's proposed budget. I look forward to working with you over the next 4 weeks to answer all questions and to use the wisdom and experience of this council to improve on what you now have before you.

Thank you and good night.

Referred to the Committee of the Whole

C. Adjourn

The meeting was adjourned at 7:25p.m. by Alderman Shakoor.