



REPORTS OF VILLAGE OFFICIALS – DIR. ADMINISTRATIVE SERVICES

Review and discuss draft of the 2014 Budget

REPORT PREPARED BY: Paul Evert

MEETING DATE: October 11, 2013

The 2014 draft budget is hereby submitted to the Village Board for discussion and review in accordance with Howard Municipal Code 2-444, 18-108 and 18-109. As a result of Trustee Steffen’s suggestion, the budget discussions occurred much earlier in 2013 than previous years. Here is a summary of the previous board meetings dates and topics directly related to the 2014 budget:

Feb. 25, 2013	Discussion of proposed 2014 Budget Schedule
April 22, 2013	2014 Budget Procedures and Final Schedule approved
July 8, 2013	Preliminary Summary Budget Discussion with Power Point presentation
Aug. 9, 2013	Capital Improvement Fund budget worksheet
Aug. 23, 2013	Capital Equipment and Park Impact Fee Fund budget worksheets
Sept. 9, 2013	Budget Discussion with Power Point presentation

The 2014 budget focuses on maintaining service levels within each department. The budget also focuses on the new mission statement of “Providing our residents with a safe, friendly, attractive and active community by aggressively pursuing innovative ways to deliver valuable services.” The budget also places great emphasis on the updated strategic plan, as presented to the village board, with six strategic goals.

Here is a brief summary of the proposed 2014 budget with a focus on the changes in service levels made from the 2013 budget:

Teamster union contracts will be terminated on December 31, 2013. All union employees will be subject to Act 10 provisions of paying 50% of the pension contributions. Non-union employees have been paying the 50% contribution since August 2011. Savings from the union contributions total over \$60,000 with approximately \$40,000 recognized in the General Fund.

The 2014 salary and wage increases have been included into the Administrator department. This proposed method will allow the Administrator to determine employee raises based on a Pay for Performance system. Each employee will be reviewed by their department directors and/or supervisors, rated and granted raises based on their performance. The Administrator will meet with department directors to determine the allocation of the \$60,000 in raises throughout the 2014 calendar year. There is no guarantee that all of the funds allocated for raises will be utilized in 2014. Each employee, except the Administrator’s Assistant/PIO, the Municipal Court Clerk, and Fire Captain, will have the same salary/wage as they had at the end of 2013.

The single largest savings in 2014 comes from the proposed new contract for garbage and recycling services from a new vendor. The total budget savings for these two contracts is anticipated to be over \$203,000 in 2014.

Police service levels have not changed in over 10 years. The village currently has two Directed Enforcement Officers (DEO), one 24 hours shift and one 16 hours shift of police protection services with Brown County Sheriff. The proposed budget suggests adding one DEO position (8 hours per day, 5 days per week) to add to our overall service level at a cost of \$103,200. Adding the DEO position will provide additional police coverage during the time only one 24/7/365 patrol position is staffed. Also, the increased police service level should result in higher municipal court revenues.

The proposed budget eliminates the Code Enforcement Director half-time position, a savings of \$57,900. These funds were used to assist with hiring a new full-time fire fighter/code enforcement officer position; this position is included in the fire department budget at a cost of \$55,600. With this new position being utilized by fire and code enforcement, service levels will actually be increased.

The budget anticipates savings of \$56,000 in utilities and telephone costs based on changes made to our cell phone contracts and new, more efficient systems recently installed.

The proposed budget adds funding of \$15,000 to allow for a total reconstruction of the village's website. The new website will be developed by Civic Plus, a company that specializes in municipal websites throughout the United States. The cost of the new site will be paid over a three-year period along with annual support fees.

There are two more elections scheduled in 2014 compared to 2013 at an additional cost of \$15,500.

The cost of obtaining liability insurance will increase for the village in 2014 an estimated \$25,200 in the General Fund. The village has experienced two of the last three years with very large claims against our liability insurance carrier, EMC. The village's agent has been working with EMC to lower their estimated costs and also obtaining quotes for our liability insurance with other carriers in order to minimize the 2014 cost. Worker's compensation experience mod has increased to 1.38 due in part to claims but also to the formula used by the state. The experience mod directly affects the premium calculation (the calculation is the same with all carriers in Wisconsin as the state mandates the calculation).