



Meeting: Village Board
Meeting Date: 04/22/13
Agenda Item: 9k

Mission Statement

Delivering quality services in a courteous, cost-effective and efficient manner.

VILLAGE BOARD MEETING STAFF REPORT

REPORT TO: Burt R. McIntyre, President
Village Board of Trustees

REPORT FROM: Paul Evert, Village Administrator

AGENDA ITEM: 9k.: Review and take action on the proposed 2014 budget procedures and schedule

ACTION REQUESTED: Ordinance Resolution Motion Receive/File

POLICY ISSUE

What procedures should the Village use to prepare the 2014 budget and what should the schedule be?

BACKGROUND INFORMATION

Trustee Steffen indicated at the January 28, 2013 Board meeting that he would like the 2014 budget discussions to begin earlier in the year. At the February 25, 2013 meeting he suggested that a budget subcommittee be formed that would work on the budget from late May into August, and their recommendations then would be given to the Board in late August. His original proposal is attached. The item was tabled until the first meeting with the newly elected trustees empaneled.

Staff does not believe the creation of a budget subcommittee is needed. The primary reason for this is that the Village Board consists of only 8 Trustees and the President. The most important action the Village Board takes every year is the passage of the budget. All of the Trustees should take an active role in the preparation of the budget. Staff believes presenting the information to the entire board at the same time will avoid repetition.

Trustee Steffen further indicated that Board's involvement with the budget should begin earlier in the year. Staff agrees that many issues will need to be brought to the Board earlier this year than last year. There are a number of reasons we will need to address budget issues earlier this year.

First, we have discussed in the past preparing a budget that would look at operations on a two-year cycle, aligned with the state biannual budget. This would work very well for this budget because the state will be passing a biannual budget in June of this year. Generally, funding for municipalities is then stable for the next two years.

If we want to take a two-year approach, staff is suggesting the Board consider updating the strategic plan. Staff will do the heavy lifting on this, but I would expect that we would take time during at least two meetings to go over the proposed changes.

Another idea for guidance during this process would be to conduct a community survey regarding satisfaction with our levels of service. This is not a survey of the entire population but a representative sample. I believe UW-Green Bay, St. Norbert, and UW-River Falls all conduct these

surveys for a fee. I will send them a request for proposals and bring them to the Board to have the Board determine whether or not to proceed with the survey.

Another item that will need Board input and action in 2013, with 2014 budget implications, will be the revision of the Personnel Manual. With the expiration of the two union contracts occurring at the end of 2013, many of the rules and procedures that are contained in the collective bargaining agreements need to be studied and addressed in the Personnel Manual. Even if the unions recertify, the only item that the Village is allowed to bargain with them by state law is base wage. There will be a shift back to the Village of management rights that had been negotiated away in the past. It is staff's intent to bring to the Board over the course of June and July proposed changes to our policies that would go into effect on January 1, 2014.

The Village Board may want to commission a compensation and classification study. The idea behind this is to have an outside firm look at our current wage scales for both union and non-union employees and make recommendations on what those should be. In the past, most communities have simply compared their positions to similar positions in other communities. As a result of Act 10, private sector comparables should also be considered. Before the Board makes a final determination on proceeding with this kind of study, staff will issue a request for proposals so you have a better idea on the cost.

I would like to point out that whatever the Board decides on the Personnel Manual and a wage study, the Board has a great deal of flexibility going forward to continue to change things. Unlike in past years when changes often had to be negotiated and essentially paid for with additional benefits, the Board will be firmly in charge in 2014 to make ongoing changes. With this ability comes a great deal of responsibility. However, it also means mistakes can be corrected quickly.

Finally, the contract the Village has for health insurance will expire in the spring of 2014 and that will need to be addressed, as it affects a significant portion of the Village's budget. Central States, our current health insurance provider, will be giving us a three-year bid sometime in late June or early July. However, this insurance will only be available if our unions recertify. Staff will work on obtaining quotes from other insurance companies later in 2013 as such quotes are generally honored for only up to six months after offered.

The problem with starting earlier on the actual budget is we do not start getting information from the state until September. From the standpoint of needing to know how much state aid the Village is going to receive and what the Village's levy limit and new value will be for budgeting purposes, the earliest any of that information was available for the 2013 budget was September 14, 2012 when the Village received the State Shared Revenue notice. The Village was notified of its State Transportation Aids on September 23, received the State Levy Limit worksheet on October 9, and received the State Manufacturing Roll on November 8.

PRIOR ACTION/REVIEW

This issue was referred by Trustee Steffen at the January 28, 2013 meeting and tabled at the February 25, 2013 meeting.

FISCAL IMPACT:

- | | |
|------------------------------|-----------------|
| 1. Is There A Fiscal Impact? | <u>Possibly</u> |
| 2. Is it Currently Budgeted? | <u>No</u> |
| 3. If Budgeted, Which Line? | <u>No</u> |

RECOMMENDED ACTION

Village staff recommends the Village Board:

- Not create a budget subcommittee and keep the discussions with the full board.
- Direct staff to issue Request for Proposals for a Community Survey and Compensation Study. Have responses returned to Board for the May 27th meeting.
- Direct staff to initiate and complete strategic planning sessions seeking Board input and approval at the board meetings on June 10 and 24, 2013.
- Agree to a Budget Overview Presentation on July 8, 2013
- Direct staff to bring forward revisions to the Personnel Policy for discussion at July 22, 2013. Set aside special meeting for July 29, 2013 to discuss further.
- Discuss capital improvements and health insurance at the board meetings on August 12 and 26.
- Begin review of the draft 2014 Village Budget on September 9, 2013.
- Include budget updates every Board meeting in the fall until budget passed.

“Motion to approve the schedule for revision of the Personnel Policy, revision of the Strategic Plan, and 2014 budget process as outlined above.”

POLICY ALTERNATIVE(S)

The Village Board could take the following actions:

- Approve with revisions
- Deny the suggested motion
- Table the suggested motion and request additional information

ATTACHMENTS

I. Trustee Steffen’s Proposed 2014 Budget Development Schedule