
INTEROFFICE MEMORANDUM

TO: STEVE CORBEILLE (FINANCE DIRECTOR)
NICK REIMER (POLICE CHIEF)
TODD BLASER (FIRE CHIEF)
BRIAN HELMINGER (SUPERINTENDENT OF WASTEWATER TREATMENT FACILITY)
DAN KOSKI (DIRECTOR OF PUBLIC INFRASTRUCTURE)
KATHLEEN MCDANIEL (CITY ATTORNEY)
NICOLAS SPARACIO (COMMUNITY DEVELOPMENT DIRECTOR)
GREG VADNEY (DIRECTOR OF RAHR-WEST ART MUSEUM)
JESSIE LILLIBRIDGE (INTERIM HUMAN RESOURCES DIRECTOR)
MANITOWOC PUBLIC LIBRARY

FROM: MAYOR JUSTIN M. NICKELS

SUBJECT: 2017 BUDGET INSTRUCTIONS & GUIDELINES

DATE: JULY 25, 2016

2017 BUDGET APPROACH:

- 1.) Balance priorities with available resources (dollars)
- 2.) Don't simply start with last year's budget
 - a. Look at your operations
 - b. Consider efficiencies
 - c. Challenge the status quo
- 3.) Incorporate LEAN thinking while preparing your budget
- 4.) You aren't being asked to make cuts, you are being asked to make decisions
- 5.) Move toward more of an organizational focus centered on programs, not individual departments
- 6.) Budget meetings with the Mayor will focus on broader efficiency opportunities rather than account level budgets
- 7.) No turf wars for city dollars...the only turf we have is city-wide
- 8.) The truth: we can't fund everything
- 9.) The city budget is ours collectively: electeds, department heads, employees, and most importantly citizens
- 10.) The 2017 budget will be the first to incorporate the 22-point plan. Future budgets will focus on this and our newly adopted strategic plan

Attached are the 2017 budget worksheets for your department. Information on the 2017 budget is as follows:

GENERAL INFORMATION:

1. List (on a separate sheet) the total number of full and part-time employees in each department/division. List their name and job title. If a position was budgeted in 2016 but is currently vacant (or will be during budget discussions), list as "vacant".
2. List (on a separate sheet) the total number of seasonal employees your department had for 2016, the number of hours each worked, and the duties assigned to them. List the budgeted amount your department had for seasonal employees and the total amount spent in 2016 (estimated if needed).
3. List (on a separate sheet) the total number of vehicles your department has. List the current mileage and year of vehicle. **Remember to contact Operations Manager Randy Junk to provide vehicle condition reports for all vehicle & heavy motorized equipment requests.**
4. It is important that we look at our revenues and keep fees that we charge up to date with our costs of providing the service and/or in line with neighboring communities. Make it a priority to look into this for your department. If you are proposing a fee increase, please include the current rate, the change you propose to make, and the date of the last change in your proposal, along with the justification for it.
5. Estimate your departments' anticipated year end revenues and expenses for 2016. Enter these amounts into the "Estimated Actuals" under the Extended Budgeting process in Springbrook. **These amounts are as important to the budget process as your next year's requests.** Please be diligent in this activity as it will produce a detailed accounting of any 2016 budget surplus. This is required to be done prior to meeting with the Mayor.
6. It is expected that department heads will present 0% increase budgets with thorough, rational, and detailed justifications to the Mayor regardless if the budgeted amount has always been that way. It is imperative that departments only budget that which is truly necessary for their operations. Any new or additional items should be discussed at the budget meeting with the Mayor and NOT added into your proposed budgets. Please provide this on a separate sheet to the Mayor.

EXPENDITURES:

7. Departments should analyze projected 2017 budget expenditures for cost reduction efficiencies as compared to the 2016 Budget.
8. Detail your justifications for 2017 **non-labor** expenditures and revenues with increases and decreases **equal to or greater than 3%**. In order to present information uniformly, please use the electronic file provided by the Finance Office for this activity.
9. The Payroll Department will distribute 2017 labor and benefit worksheets for active full and part-time department employees upon request.
10. Departments should budget for 2017 the same number of employees allotted for under the 2016 Budget. Police & Fire should budget the number of personnel it took to achieve their 2016 Budget goal. **All requests for additional personnel should be presented separately at the Mayor/Department Budget Meeting.** All requests for additional employees should include a detailed explanation, including but not limited to; position, position duties, full or part-time (annual hours) and full justification explaining your reasoning. Please present the financial impact information in the budget format (example):

Account Description	Employee #1	Employee #2	Employee #3...
511100 Salaries & Wages			
511200 Salaries & Wages – Overtime			
515100 Social Security			
515200 Retirement – Employer			
515300 Retirement – Employee			
515400 Health Insurance			
515600 Worker’s Compensation			
515700 Training			
516200 Clothing Allowance			
516210 Protective Clothing			
Etc...			

11. Unless provided for contractually or within the city’s pay plan, labor should be calculated with a 0% increase. Adjustments will be made by the Mayor for any COLA or other adjustments outside of those adopted within union contracts and the city’s pay plan.

12. The 2017 Budget year equates to **2088 hours**.
13. Please submit to Payroll by **Friday, July 29th** a listing of employees who will be retiring from your department in 2017 along with the anticipated retirement date and estimated payout amount. **Use account 513700 for retirement payouts (sick and vacation). Remember to adjust the Social Security line item for the amount of the retirement payout.**
14. Salary and benefit projections for vacant positions will need to be computed by the departments using the benefit chart (see attached).
15. Unless provided for contractually, there will be no sick leave credit payout for 2017 (Account 513600). For those areas, the Payroll Department has provided a formula worksheet for departments to use in computing this budgeted line item.
16. The 2017 telephone services budgets (account 522500) will be provided by the Finance Department. Any adjustments by departments should be fully justified in your presentation materials.
17. Departments should contact Jim Muenzenmeyer for 2017 utility projections and Randy Junk for fuel and vehicle maintenance projections.

2017 BENEFIT CHART

					WITH MEDICAL COVERAGE				WITHOUT MEDICAL COVERAGE									
					HEALTH		DENTAL - PREVENT		DENTAL - ENHANCE		DENTAL - PREVENT				DENTAL - ENHANCE		RETIREMENT	
					FICA	SINGLE	FAMILY	SINGLE	FAMILY	SINGLE	FAMILY	SINGLE			FAMILY	SINGLE	FAMILY	EMPLOYEE
	DPW	7.65%	1,272.85	1,272.85	-	-	-	-	-	-	-	-	0.00%	6.80%				
	TRANSIT	7.65%	1,272.85	1,272.85	-	-	-	-	-	-	-	-	0.00%	6.80%				
	GENERAL CITY	7.65%	465.81	1,184.40	13.21	30.28	13.21	30.28	-	-	-	-	0.00%	6.80%				
	FIRE	1.45%	465.81	1,184.40	13.21	30.28	39.85	96.77	15.12	32.13	52.92	126.63	0.00%	15.30%				
	FIRE MGMT	1.45%	465.81	1,184.40	13.21	30.28	39.85	96.77	15.12	32.13	52.92	126.63	0.00%	15.30%				
	POLICE	7.65%	465.81	1,184.40	13.21	30.28	39.85	96.77	15.12	32.13	52.92	126.63	0.00%	11.00%				
	POLICE MGMT	7.65%	465.81	1,184.40	13.21	30.28	39.85	96.77	15.12	32.13	52.92	126.63	0.00%	11.00%				
	LIBRARY	7.65%	465.81	1,184.40	13.21	30.28	13.21	30.28	-	-	-	-	0.00%	6.80%				
	WWTF	7.65%	465.81	1,184.40	13.21	30.28	13.21	30.28	-	-	-	-	0.00%	6.80%				
	ELECTED	7.65%	465.81	1,184.40	13.21	30.28	13.21	30.28	-	-	-	-	0.00%	6.80%				
	SEASONAL	1.45%	-	-	-	-	-	-	-	-	-	-	-	-				
	Code	Worker's Comp Rates				Rate												
	7382	Bus (Drivers and all other Transit)				4.20%												
	7704	Firefighters				3.35%												
	7720	Police				2.90%												
	8385	Bus (Garage employees)				3.50%												
	8810	Clerical & Office				0.20%												
	9412	Municipal Operations				3.05%												

If you need assistance with selecting the correct Worker's Comp Code for your employees please contact my office and we will assist you to select the correct rate code.

CAPITAL:

18. Follow the Capital Allocation Working Group Procedures (CAWG) for all capital requests.
19. The total dollar amount for borrowing will be determined by the Mayor at a later date.

BUDGET PACKET PREPARATION

- ✚ Be sure to provide THREE copies of your submitted budget proposals to:
- ✚ 1 TO THE MAYOR'S OFFICE
- ✚ 2 TO THE FINANCE DEPARTMENT
by **Friday, August 12th, 2016**

DO NOT SEND A COPY TO THE FINANCE COMMITTEE AT THIS TIME.

- ✚ Included with your submission, please email a copy of the file(s) used in the calculation of labor wages and benefits to scorbeille@manitowoc.org
- ✚ Any department heads or staff members who would like some assistance or guidance in preparing their 2017 budget request should feel free to contact me in the Finance Office at 686-6961. We will be able to assist you with most aspects of your budget preparation, including where to find data, how to analyze the data, create spreadsheets or other documents, and provide general guidance with your presentation package.

TIME LINE - 2017 BUDGET PROCESS

- **July 25th** - Budget Worksheets Distributed to Department Heads
- **August 12th** - Budget Requests due from Departments to Mayor and Finance Department
- **August 15th – 19th** – Finance Department Budget Entry and Analysis
- **August 22nd – 31st** – Departments meet with Mayor
- **September 1st – 9th** – Follow-up meetings with Departments if necessary
- **September 12th – 30th** - Formulation of Executive Budget
- **October 3rd** - Executive Budget Submitted to Common Council
- **October 3rd – November 21th** - Finance Committee Budget Deliberations
- **October 31st** – Clerk publishes the budget in HTR for public hearing
- **November 3rd** – Mayor’s Budget Listening Sessions 10:30am and 6:00pm
- **November 21st** - Formal Budget Hearing and Budget Adoption

BUDGET MEETINGS with MAYOR
(August 29 – September 2, 2016)

<u>DAY/DATE</u>	<u>TIME</u>	<u>DEPARTMENT</u>
Monday 8/29/16	1:00pm – 4:00pm	Community Dev. Assessor Planning
Tuesday 8/30/16	09:00am – 12:00pm	Fire Department Building Inspection
	1:00pm – 2:00pm	Rahr-West Art Museum
Wednesday 8/31/16	09:00am – 10:00am	Finance/Treasurer City Clerk
	10:00am – 11:00am	Mayor/Council
	11:00am – 12:00pm	IT
	01:00pm – 02:00pm	WWTF
Monday 9/01/16	09:00am – 12:00 pm	Infrastructure All Departments
	01:00pm – 01:15pm	Symphony
	01:15pm – 01:30pm	Marine Band
	01:30pm – 02:00pm	Municipal Court
	02:00pm – 3:00pm	Library
Tuesday 9/02/16	09:00am – 12:00pm	Police Department
	01:00pm – 2:00pm	Human Resources Health Insurance
Tuesday – Friday 9/06/16 – 9/09/16	Follow-up meeting with Departments if necessary	