

Committee Memorandum

To: Committee Members
From: David Dachpian, Mayor
Subject: Recommendation: Taxing/Spending

I asked you to join this committee to help me solve a problem. The city's budget director has forecast that city tax revenues will be \$300,000 less than expected this year, the second year of the city's two-year budget period. That means we might have to cancel several projects or raise taxes. To complicate matters, I promised in the last election campaign to complete all of the scheduled spending projects without increasing taxes. My opponent, who lost by only a few votes, argued that city spending should be cut and taxes reduced.

In making your recommendations, please use the information included here. Note that the total cost of the projects is \$600,000, but only \$300,000 is available without an unpopular tax increase. No additional funds can be obtained by cutting existing programs in the city's budget.

Within these limits, make whatever choice you think is best. You can decide to cut one part of a project and keep another part. For example, you can suggest hiring only one firefighter. Be specific about which projects, if any, will be cut and by how much taxes will be raised or lowered. You must justify all of your choices and include which projects you decided to cut, and for what reasons.

PROJECT EXPENDITURE TABLE: SUMMARY DATA

<u>PROJECT</u>	<u>BUDGET LINE</u>	<u>COST</u>	<u>TOTAL PROJECT COST</u>
Firefighters			\$90,000
Station #1	A 147a	\$30,000	
Station #2	A 147b	\$30,000	
Station #3	A 147c	\$30,000	
Day Care Center	B 910a	\$60,000	\$60,000
Street Lights			\$60,000
Bramblewood	C 113e	\$15,000	
Carlisle	C 113f	\$15,000	
Cleveland	C 113g	\$15,000	
Paxton	C 113h	\$15,000	
Bridge Repair			\$240,000
3 rd St. Railroad Overpass	C 119c	\$120,000	
River Road River Bridge	C 119d	\$120,000	
Sewer Repair			\$120,000
Old West Side Storm Sewer	C 133a	\$60,000	
Old North Side Storm Sewer	C 133b	\$60,000	
Parks			\$30,000
Douglas Park	D 004c	\$15,000	
Sbrochi Park	D 004d	\$15,000	

PROJECT DESCRIPTIONS

- A 147a Firefighter at Station #1
- A 147b Firefighter at Station #2
- A 147c Firefighter at Station #3

Because of last year's opening of the new station #3 (which was badly needed), each of the city's three fire stations is short one firefighter. The problem is plying havoc with the fire chief's personnel scheduling. At present, some firefighters are pulling back-to-back shifts on a rotating basis, a possible dangerous situation for which the city must pay time-and-a-half overtime. Each added firefighter would cost \$30,000 in salary, benefits, and equipment.

- B 910a Day Care Center

A city-funded day care center for low-income families has been proposed in order to allow single parents who are poor to get off welfare and find jobs or to go back to school to get vocational training. Center advocates say that getting people off welfare will save taxpayers money in the long run. The center would be available only to single-parent, low-income families. Staffing and equipment will cost \$60,000. Space is already available in one of the city's elementary schools.

- C 113e Bramblewood Street Lights
- C 113f Carlisle Street Lights
- C 113g Cleveland Street Lights
- C 113h Paxton Street Lights

Four streets (Bramblewood on the north side, Carlisle in the east, Cleveland near downtown, and Paxton on the south side) are without street lights. The residents and the police are concerned about crime, especially on Cleveland and Paxton (high crime areas). Also, many youngsters play outdoors in the evenings on Bramblewood and Carlisle, which are residential areas. One little girl was badly injured when hit by a car on Carlisle last September. Each street light project will cost \$15,000. Lights were installed on four other streets during the first year of the budget.

- C 119c 3rd St. Railroad Overpass
- C 119d River Road River Bridge

The city engineer has found that eight bridges are overdue for repair. The worst two were fixed in the first year of the budget, with two more scheduled for repair in the each year of the next three years. Failure to follow this schedule might mean that all six will have to be closed for a year or longer. Load limits on the Third Street and River Road bridges have already been reduced, forcing the fire department to detour to other streets, which delays their response time on some calls. Each bridge repair will cost \$120,000.

- C 133a Old West Side Storm Sewer
- C 133b Old North Side Storm Sewer

New housing developments on the northwest side have put additional strain on the old storm sewers, especially in the adjacent Old West and North Sides. Heavy spring and summer rains invariably cause flooded streets and basements. Some people's yards become bogs with ruined lawns and flower beds. Residents in the area are very upset. I received strong support from both areas because of my pledge to solve the problem. Sewer repair for each area is \$60,000.

- D 004c Douglas Park
- D 004d Sbrochi Park

For some time it has been evident that the present park system is inadequate because of the many new families with young children living in this city. Douglas and Sbrochi Parks have been delayed three times due to lack of funds. The city has received two federal grants of \$15,000 each to develop the two parks. But the grants depend upon the city matching the grants with an equal amount of money. Thus, if funding for one park is eliminated, the \$15,000 grant for that park is lost. Each park costs \$30,000, of which \$15,000 would come from the federal grant.

REMEMBER: anti-tax sentiment in the community is running high. My opponent in the last election is already mounting a strong tax repeal drive.

City Council Goals

Goal 1: Our City Fosters Quality of Life for All Citizens

Strategic Initiatives

- Encourage development of affordable housing
- Strengthen community service partnerships
- Promote an inclusive, open-minded and progressive community
- Expand the arts and amateur sports
- Increase parks, trails, and open space amenities
- Enhance family-friendly events, facilities, and services
- Support community partners to strengthen educational opportunities

Goal 2: Our City Provides First-Rate Services

Strategic Initiatives

- Assure a safe community and protect the rights of citizens
- Strengthen police-community relations
- Aggressively address aging infrastructure
- Continue to build complete streets
- Support and respond to neighborhood needs
- Maintain fire department responsiveness

Goal 3: Our City is Fiscally Responsible

Strategic Initiatives

- Maintain a healthy and balanced City budget
- Ensure fair City tax rates and fees
- Maintain a financial model that balances short and long term needs
- Be a leader in intergovernmental and interagency cooperation
- Apply strategies to reduce the cost of providing City services
- Allocate the cost of services to citizens who benefit
- Promote a compact growth pattern to deliver City services efficiently

Goal 4: Our City Promotes Economic Opportunity

Strategic Initiatives

- Market the City as a tourism destination
- Brand the City as a micro-urban community
- Expand programs for job creation and employment growth
- Attract and retain workforce talent in the community
- Promote opportunities for upward mobility for all citizens
- Advance strategies to benefit low-income neighborhoods
- Adopt forward-thinking growth and development policies
- Create a vibrant downtown

- Maintain the City's positive business environment
- Increase minority and women-owned business opportunities

Goal 5: Our City is a Model for Environmental Sustainability

Strategic Initiatives

- Promote Champaign as a green community
- Encourage the use of alternative modes of transportation
- Recruit and retain innovative green business and industry
- Adopt incentives and regulations to encourage environmental responsibility
- Reduce energy consumed by our City government
- Preserve the Mahomet aquifer as a long-term healthy water supply

Goal 6: Our City is Committed to Honest, Transparent Government

Strategic Initiatives

- Engage the community in City government
- Provide timely and accurate information about City services
- Openly share information about City actions and decisions
- Improve public access to City information