

# CITY OF WEST ALLIS

## CHARTING A NEW COURSE: 2016 BUDGET ADDRESS TO DEPARTMENTS

MAYOR DAN DEVINE & THE BEAT SQUAD  
JULY 21, 2015





# INTRODUCTION

CHARTING A NEW DIRECTION

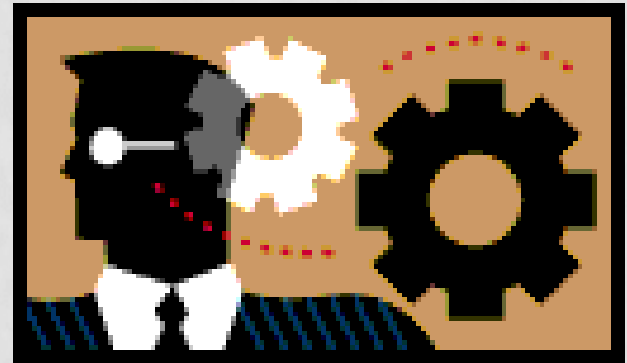
# A NEW BUDGET COURSE...

- Not “the same old budget”
  - Data driven
  - Results oriented
- New initiatives
  - Zombie Abatement Program (ZAP)
  - LEAN
  - Business Process Mapping
  - Innovation & Productivity Fund
- BEAT Squad
  - “**B**udget **E**fficiency **A**ssessment **T**eam” needs YOU!



# 2016 BUDGET: CHALLENGES GALORE

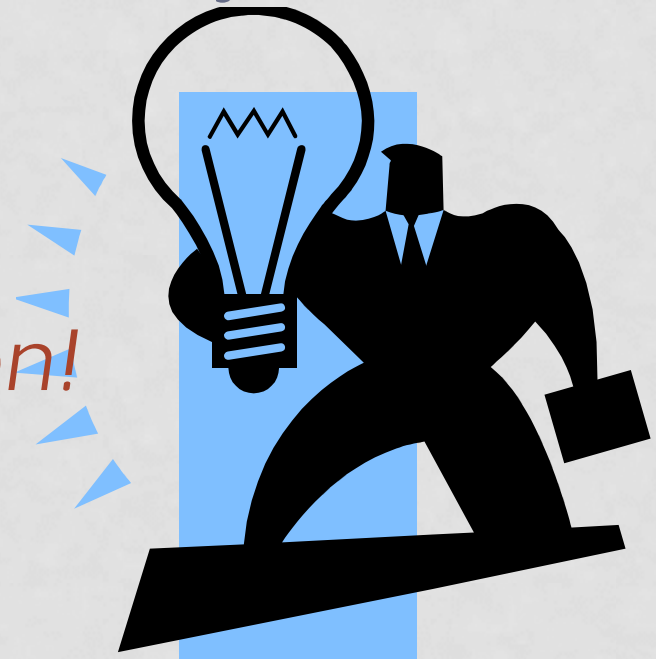
- Every budget is challenging every year!
- The Landscape has changed!
- 2016 Challenges
  - Revenue Caps
  - Legislative Changes
  - State/Federal Mandates
  - Health Insurance Costs
  - Service Demands



# HOW DO WE MEET THE CHALLENGES?

- Raise Revenue (Limited opportunities)
- Expand Tax Base (Takes time, \$\$)
- Cut Costs (Can be arbitrary)
- Create efficiency (Best opportunity!)
- Focus on Priority  
(Begin with the end in mind)

*Ideas create action!*





# WHAT APPROACH TO USE??

- State of California \$14.5 billion shortfall.
  - Gov. Brown proposes 4% across the board cuts, saying, “An across the board approach spreads reductions as evenly as possible so no single program gets singled out.”
  - Reaction by San Jose Mercury News: “The governor’s approach would be like a family deciding cut its monthly mortgage payment, dining-out tab and Netflix subscriptions each by 10% rather than eliminating the restaurant and DVD spending in order to keep up the house payment.”
- Arbitrary, across the board cuts erode services and don’t lead to long -term, sustainable savings.



# WHOSE BUDGET IS IT ANYWAY?



The budget is the responsibility of every one of us...and we need to solve our budget challenges collaboratively, as a team.

# FOR 2016, PLEASE CONSIDER...

Shop *local*...but think *global*.

You're all the recognized experts in your areas of responsibility. But for a budget and an organization to be truly effective, its officers and managers must take a global, long-term, organizational view.

Having an individual department succeed yet the City fails is not an option.

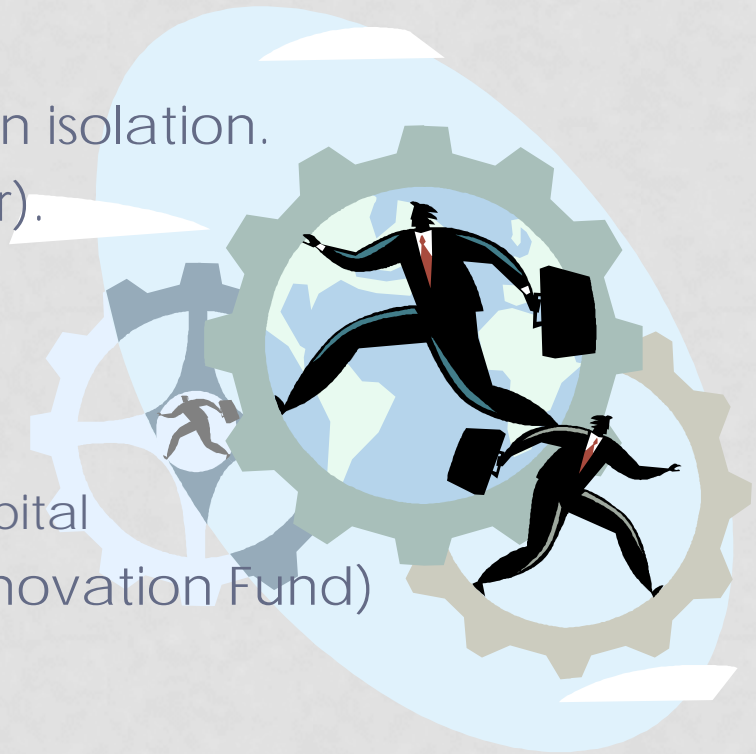


# 2016 BUDGET APPROACH...

- Balance priorities with resources.
- Don't simply start with last year's budget:
  - Look at operations;
  - Consider efficiencies;
  - Challenge convention.
- Incorporate LEAN training.
- You aren't being asked to make cuts, you're being asked to make decisions.
- The paradigm has shifted!

# IN EXCHANGE FOR TAKING A FRESH LOOK AT OPERATIONS...

- In the past...
  - Good ideas were rewarded with fewer resources.
  - Cut, cut, cut.
  - Say as little as possible, work in isolation.
  - Rob Peter to pay Paul (Ziehler).
- Incentives, the future...
  - Share savings (50-50 split)
    - Department keep 50%
    - Must be used for 1-time or capital
  - Reward innovation (\$250K Innovation Fund)
  - Recognize achievement





# GOALS & OBJECTIVES

OUT WITH THE OLD,  
IN WITH THE NEW

# WHAT'S NEW FOR 2016 BUDGET?

## IN

Holistic, "City-Wide"  
Approach to 2016 Budget

## OUT

Historical Focus on  
Department Budgets

- Move toward more a more organizational focus centered on programs not departments.
- No "turf wars" for budget dollars...only turf we have is City turf!
- The truth: we can't fund everything.
- The City budget is "ours" collectively: electeds, department heads, directors, managers and employees alike.

# WHAT'S NEW FOR 2016 BUDGET?

## IN

Looking for opportunities to more efficiently provide city services

## OUT

"Business as usual"

- In line with Lean Initiative, bring initiatives for 2016 that offer the potential for more efficient service delivery resulting in cost savings.
- Budget meetings with departments will focus on broader discussion of "efficiency opportunities" rather than account level budgets.
- Budget based upon trend analysis and actuals.
- Completion of new 2016 Budget Questionnaire



# WHAT'S NEW FOR 2016 BUDGET?

## IN

Focus on Sustainability &  
Affordability

## OUT

Shifting Expenses or  
Inventing New Revenues

- Fitting expenses to our revenues means living within our means.
- Shifting operating expenses to other funding sources or inventing new revenues as a budget technique is a short-term solution...need to focus on sustainable solutions.
- Fully utilize, engage & share human capital.

# WHAT'S NEW FOR 2016 BUDGET?

## IN

Focus on city-wide  
"Cost Drivers"

## OUT

Less Focus on across-the-board budget targets and line-item accounts

- Analysis of the driving forces behind the city's expenses...big things like staffing, health insurance, capital needs
- You won't see an across-the-board budget target (0%, 1% for example)...we are taking a more analytical approach this year.
- Data-driven decision making.

# WHAT'S NEW FOR 2016 BUDGET?

## IN

Wages vs. Benefits  
Discussions

## OUT

Assumed Annual Pay Raises  
with No Benefit Changes

- Biggest part of city's budget is Wages & Benefits.
- Levy Limits simply don't provide a mechanism to fund pay raises...need to get creative to fund these.
- Budget Reality = if there is more of one, there may have to be less of the other.
- Solicit ideas from everyone.

# HOW ARE WE GOING TO DO THIS?

1. Step One: Analyze & prepare the revenue budget.
  1. Revenues for 2016 virtually identical to 2015
  2. Obligated to Protective Service Wage increases per contracts
  3. General Wage increase only if capacity allows
  4. Continue to examine Benefit Savings to Provide Wage Increase
2. Departments complete "Budget Questionnaire" & return with 2016 Budget Requests
3. Mayoral Budget Review
  1. Identify budget directive for each Department
  2. Review Questionnaire response
4. Presentation of Mayor's Budget to Common Council.
5. City wide celebration, camp fire and sing-along.

TO BE SUCCESSFUL,  
THE CITY NEEDS YOU!

