

**Local Government Academy
Newly Elected Officials Course
Budget Exercise**

You are the member of the Council of a municipality of 35,000 people. In your community, new commercial and residential construction starts are steady, although the number of persons in each household is declining and aging, and there isn't much undeveloped land remaining. Your community has typically provided a high level of service for comparatively low taxes and this fact is a point of pride for the leaders of the community. Civic engagement is alive and well in your community. Citizens have high expectations of you and the rest of Council—a number of clubs, neighborhood associations, and other civic organizations exist and are active and vocal in their support of a number of your government's programs.

Your 12 million dollar budget is almost complete this year. Funds to provide basic services have been appropriated and, utilizing current tax rates, you municipality has about \$500,000 left to allocate. You are being urged by various citizen groups, fellow council members and municipal staff to consider the following proposals. The total of the proposal equals \$2,090,000 dollars.

Proposal 1

A new office building along a busy commercial street in town has recently been completed. The building, which has six stories, has raised the concern of the local volunteer fire department that if a fire occurred in the upper levels of the building sufficient fire fighting apparatuses don't exist in the municipality to provide adequate rescue services. Cost of purchasing a new ladder truck: \$850,000

Proposal 2

Many families in the municipality are two income families and, while the community has sufficient daycare resources for younger and school age children, many teens are known to be going home to empty houses. The community saw an increase in underage drinking incidents last year, and vandalism has been on the rise. Concerned community groups have been raising money to build a skate park on the high school grounds. They have almost achieved their goal, but need to come up with 30,000 more before the end of next year so as not to lose their challenge grant from a local business. They have approached the municipality and asked for a \$30,000 contribution.

Proposal 3

The recent insurance appraisal revealed that the condition of the municipal building boiler is extremely poor. The Manager is concerned that it will stop functioning all together this winter. Cost of a new boiler \$100,000.

Proposal 4

The local athletic association has been complaining about the condition of the ballfields for years. While they have traditionally, raked and rolled the fields for their games, the condition of the infield is so bad, that they are threatening to disband and send their athletes to a neighboring community's program. The athletic association is the only permit holder for the fields and is still upset that the municipality would not allow outfield signs last year as a fundraiser for the association. Cost to install new drainage and infield: \$50,000.

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Proposal 5

The municipality has close to 50 miles of streets and roads to keep clear of snow and ice in the winter time. All of the snow plows are old and, for several years, the public works director has reported that he has been unable to complete snow removal in a timely fashion. He is recommending the purchase of 2 new trucks and the start-up of a sinking fund to pay for the eventual replacement of trucks according to a regular schedule. Cost of new trucks and initial contribution to sinking fund: \$200,000.

Proposal 6

The engineer reports that several streets in the municipality are in serious need of repair. Residents have been calling to complain about the road condition and potholes are so severe in some places drivers flattening their tires. Cost to fix the worst roads: \$350,000

Proposal 7

Non-union municipal employees are hoping for a raise this year. Last year, these secretaries and clerks received a 2 percent raise and the truck drivers and police officers received 4 percent, per their collective bargaining agreement. Cost to provide a raise: \$50,000.

Proposal 8

Recently many residents have been seen walking along busy roads within the municipality. Bicycle traffic is also on the increase and police have pulled over several drivers for not "sharing the road." Earlier this year a child was hit by a car. A state grant program will match community recreation expenditures and some residents are insisting on a network of trails and sidewalks to connect the neighborhoods to the school and shopping district. Cost of study to be paid for from local funds: \$30,000.

Proposal 9

The engineer has said that the municipality would save \$15,000 a year if it would abandon the use of a sanitary sewer pump station in favor of gravity flow lines in one neighborhood. Cost to build new sewer lines \$225,000.

Proposal 10

The Chief of Police has indicated that the 3 – 11 shift has been bombarded with additional calls. He is proposing the adding of an additional officer in order to meet the call demand. Cost of an additional police officer: \$100,000

Proposal 11

The public works director has announced there is a slow leak in the drain of the community pool. The loss of water is not gigantic; about \$1,000 per season, but it is a pollution risk to a nearby stream and should the leak grow it could shut the pool down mid-season. Cost to repair the leak to the pool: \$105,000.

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You are a very conscientious member of Council—you study issues and are known to be concerned about the community at large. You would also like to be re-elected. Which combination of programs do you choose for your community? Note: This is a forced choice problem; you don't have option of cutting out all of the programs.

In the space below, determine some possible choices and state your criteria for evaluating the alternatives. Make a decision about what you feel is the best alternative and be prepared to advocates for it. Your proposal should total approximately \$500,000.