

## Council struggles to balance 2009 budget

By Jeanne Davant

In a lengthy and sometimes contentious budget work session Tuesday night, Manitou Springs City Council worked hard to offset a projected \$9,259 deficit in the 2009 General Fund budget and to hold on to a projected \$8,661 surplus in 2010.

Those were the figures Finance Director Mike Leslie presented to Council as a starting point, but they changed constantly during the evening as Council members added, subtracted and proposed creative ways to fund what they considered the city's top priorities.

Leslie was instructed to comb through every city department's budget, line by line, to find any unspent money that could help fill the 2009 budget hole. Council members hoped he could find enough to prevent them from having to cut the city's medical benefits package.

Leslie proposed changes to the benefit plan that would save the city \$31,700 in 2010 but would lower coverage and increase deductibles, co-insurance and co-pays for city employees.

Some Council members weren't comfortable with that, or with the idea of cutting employees' hours.

"I think employees are the most valuable asset we've got," Councilwoman Donna Ford said. "If we have to cut other places, that's fine, but we won't cut our employees."

Councilwoman Aimee Cox said she was concerned about eroding the benefits package, when "for years, we have not been providing employees with a market-rate salary or cost-of-living increases."

Councilman Matt Carpenter agreed, saying, "We've been balancing budgets on the backs of employees, and I'd really rather not do it. There are other areas that we could look at."

Leslie said renewing the current medical plan would add \$37,000 to the 2010 budget, putting it into the red, and Councilman Tony Jones said he did not think that was supportable. He noted that employees in the private sector have endured salary and benefit cuts and furloughs.

"We can't add (funds) without coming up with a realistic plan to raise that money," Jones said. "We may have to furlough people if we come up short in the last two months (of the year)."

"You're talking like a banker," Ford said, prompting Mayor Eric Drummond to warn her sharply about using "pejorative" language.

Council closely scrutinized the money it allocates annually for economic development and promotion and called for more accountability from the Chamber of Commerce and Economic Development Council.

The two organizations rebated \$40,000 to the city for the 2009 budget, but Leslie surprised most Council members by saying he had learned earlier Tuesday that the Chamber has an unreserved fund balance of about \$130,000.

Leslie said he found it "a little disturbing" that "you've been putting \$100,000 more into economic development than is called for by ordinance, and one of the agencies you've been funding has a huge capital reserve." Chamber Executive Director Leslie Lewis said the money had accumulated over years from unspent operating funds.

While Ford said she thought the reserve represented "extremely prudent bookkeeping," Drummond said he was concerned that neither he nor Leslie knew about it.

"Whether it's \$10,000 or \$130,000, we've been watching our finance director here sweat bullets over trying to help the city balance the budget," Drummond said. "I'm surprised no one volunteered to say, 'We understand the city is grappling with this; there's \$100,000-plus out here.'"

Cox added: "These are the kinds of things I would like to see whenever we're handing out money to other organizations."

Chamber President Dave Symonds said the budget has been discussed at every Chamber meeting and that the Chamber might need to dip into the reserve fund to improve its building and for other projects.

Council members made it clear, however, that they would consider reclaiming at least part of the \$130,000 if other savings couldn't be found, and that they would be looking closely at how the Chamber spends the tax money allocated to it.

The Parking Authority Board's budget also came under close Council scrutiny.

Mayor Pro Tem/Mayor-Elect Marc Snyder proposed keeping the authority as an operating city department rather than a separate enterprise, in order to retain its revenues in the General Fund.

Cox suggested having time spent by Planning Department staff charged back to the Parking Authority and refunded to the General Fund, and Council members also discussed cutting a \$10,000 item for hiring a consultant to work on a residential parking plan.

Other items on the table for balancing the 2009 budget were:

Deferring the purchase of bunker gear for the fire department until January, saving \$12,500. City Safety Officer Larry Mitchell said he would look into that but that some of the gear might have already been ordered.

Freezing book purchases for the rest of the year. Librarian Margaret Morris said she could eliminate \$ 1,500 in planned book purchases from her already severely pared budget.

Dipping into the Urban Renewal Authority's \$69,000 fund balance. Economic Development Council Director Kitty Clemens said the authority has few expenses and that in communities such as Estes Park, urban renewal authorities have paid administrative support fees into general funds when they had unused money. Clemens said she thought that made better sense than cutting funding to the economic development organizations.

Raising nonresident fees at the Aquatic Center, in anticipation that pool closures in Colorado Springs would increase use of Manitou's pool.

Leslie and Deputy Finance Director Becca Davis will be retooling the budget to see what combination of possibilities will put the city in the black. Leslie also will be consulting with the city attorney to determine whether some of the options are legally permitted.

Leslie said two items previously requested by Council—funds to hire a city administrator and a code enforcement officer—would be included in the 2010 budget. He added that another item Council asked for—money for employee and volunteer appreciation—has been covered by the American Legion. The Legion has contributed \$1,200 to cover those expenses and will throw a Christmas party for city staff.

Council OK'd by consensus Leslie's request to delay the second reading of the 2010 budget until Dec. 8 to give staff an extra week to work on it. The first reading is scheduled for next Tuesday's regular Council meeting.

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