

## Citizens' Opinion

Submitted by Mike Humcke

City of Pewaukee – Member Spending Cap Committee

As some of you know, Butch Peterson and I were appointed to this committee to review the possibility of changing the current \$10M spending cap ordinance, #03-12, which was passed a few years ago. Sean Sullivan (who some of you know from Pewaukee Soccer), Craig Coursin (City Planning Committee, and our Committee's chair), Kelly DeMotto (now Kelly Tarzewski, the City Clerk), Alderman Dave Mokros, and until his resignation, Alderman Mike Pazdernik were also on the Spending Cap Committee.

At the beginning of the process, we heard from Alderman Mokros, who explained that ordinance #03-12 was originally passed to prevent direct legislation by the public, as allowed under WI State Statute since @ 1911, and as a response to direct legislation passed by Mt. Horeb, WI a month earlier, which limited spending to \$1M without a referendum. If the existing ordinance were rescinded, the City would return to the direct legislative initiative.

We did briefly consider rescinding the ordinance (i.e., returning to the direct legislative initiative), but decided that modifying the existing ordinance was the more balanced and responsible approach to capital spending.

As part of the Committee process, we interviewed Mr. Clinkenbeard, the City Planner, and Mr. Jeff Weigel, the Director of Public Works, and we reviewed the 2006 and 2007 City Budget, all to get an idea of what was a reasonable and workable spending limit was.

Our final recommendations (see the attached) were reported to the City Council last March by the Committee Chairman, Craig Coursin (there was no other Q&A of other Committee members by the Common Council). Our recommendations are to lower the capital spending cap/referendum trigger by 50% to \$5M for the TOTAL PROJECT (including all project related building and supply costs, land acquisition, etc.), and to exclude projects that are revenue neutral, or developer financed, or utility related (i.e., subject to or impacted by Public Service Commission review).

We recommended a separate \$2M capital spending cap/referendum trigger for all road projects paid directly by the City from the tax levy.

We recommended that all capital spending projects above \$2M be subject to a public information meeting to allow for an exchange of information, opinion and ideas between the public, the City Staff (primarily Public Works), and the Common Council.

We also recommended that the City develop a formal process, such as a project checklist, or a series of guidelines, to assure that all project development costs be considered and budgeted for, and that all details be completely and thoroughly analyzed before a project is implemented. This was basically in response to what happened with the City Hall project, when a lot of important details and costs were initially left out, and then added in later (the initial project was estimated @\$2M and ended up @ nearly \$4M). It is also the intent of this particular point to prevent City government from piece-mealing a project just to keep it below the spending cap, and then adding in additional costs later. However, there is no contingent recommendation on what to do if something like that does happen.

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Our final recommendations have been proposed as an ordinance change, and have gone through their first reading (with some public comment) at the Common Council on March 19th.

The second and final reading, and final opportunity for public comment is scheduled for the Common Council meeting on Monday, April 2 at 7:00 PM.

There are any number of questions or alternatives that you may wish to express regarding this issue:

Whether or not the \$5M limit is still too high, and whether or not it should be lowered to another level, say \$2.5M to \$3M, which might force such capital expenditures as the new WCTC fire station to referendum.

Whether or not the \$5M limit is still too high, and whether or not you trust this administration, or any future administration to wisely spend up to that amount without first soliciting public input and making the case for the expenditure, without additional voter approval.

Whether or not the \$2M expenditure limit for the "public information meeting" is a good and proper level, and whether or not that level should require a "formal public hearing" rather than a public information meeting (there is a significant difference in procedure and protocol between the two).

Whether or not you feel that the existing ordinance should be repealed altogether, such that we would return to the direct legislative guarantees under the Wisconsin State Constitution.

Whether or not action on the ordinance should be tabled subject to a formal public hearing, possibly including formal input by members of the Spending Cap Committee to the Common Council, on the ordinance revision. (It should be noted here that this particular ordinance has the special designation or status as a "Charter Ordinance", since it supplants the direct legislation initiative of the State Constitution. While it seems to me that such an ordinance deserves the special consideration of a Public Hearing, or should be sent back to Committee for public comment, both of which I requested at the last Common Council meeting on March 19th, the Mayor indicated that public comments at two Council meetings are the only "public hearings" planned.)

Whether or not action on the ordinance should be tabled until after the elections on April 3, so that consideration can be made after 3 new Alderman are seated at the next Common Council meeting. For those of you who have not been following this, 2 of the current aldermen are "lame ducks" and are leaving office (Mr. Mokros and Mrs. Byers), and 1/2 of the Common Council will be new on April 16th.

There appears to be two schools of political thought here:

One side believes that republican government officials, once elected, should be able to exercise the duties of elected office, make decisions and spend public monies without any additional input (i.e., consideration, hassles or interference) from the electorate, whether or not the acts of the elected officials represent the wishes of the

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majority. I believe that the original ordinance #03-12 was passed to enable virtually unlimited spending by City officials, and to suppress and eliminate public input and recourse.

Another school of thought believes that at some point the public ought to have the right to say "NO" when actions and expenditures are not, or do not seem to be, in the best public interest, are not the best long term value, or are expenditures beyond the means of the Community. Obviously, the public, short of the next election, or a recall election, has already lost most of that authority and ability at the State and Federal government level. I believe that we are, through the proposed ordinance revision, trying to restore some semblance of that authority at the local city government level.

At the first Committee meeting, I suggested that the purpose of the Committee's work should result in an ordinance that does the following:

- Restrains major spending initiatives by seeking Taxpayer approval and permission.

- Forces major spending initiatives to publicly justify the budgeted amounts according to necessity and value.

- Subjects major spending to voter/taxpayer sensibilities...i.e., their pocketbook and current economic factors.

- Enforces a sense of fiscal restraint and frugality into budgeting and planning of major building and public works projects.

I believe that the recommendations by the Spending Cap Committee are a good, long-term compromise that seeks to allow elected officials to exercise their spending authority UP TO A POINT, but after that, to have to sell the value of a project to the public, to educate and solicit public input, and to seek public consent for any expenditures beyond those certain points.

While some Committee members desired public input into what reasonable and workable spending limits are from a taxpayer and citizen point of view, at either the Committee level or at a Public Hearing at the Common Council level, others did not. That idea was not implemented, and no citizen input or review of the recommendations was ever received at the Committee level. Our final recommendations may only be "reasonable" from the point of view of the Committee and City Government staff, and not from the electorate.

Therefore, I ask each of you to review these recommendations, and to publicly weigh in on this issue and the various alternatives through your elected Aldermanic representatives, the Mayor, and/or in person at the next City Council meeting on April 2. This may be the last chance you will have to express your opinion on what I think is an extremely important public policy matter for the citizens of the City of Pewaukee.

Please pass this e-mail on to everyone in the City who is on your e-mail list. As always, if you have any further questions for me, please feel free to contact me at home, at 262/691-0835. Thank you for your consideration.

Best regards,

Mike Humcke