



CITY OF WESTMINSTER

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## WESTMINSTER CITY DISCUSSES BUDGET CUTS

*Westminster, MD* -“These are challenging financial times for municipal governments,” stated city of Westminster mayor, Kevin Utz. “We are two months into the 2009 fiscal year and are now faced with a reduction of over \$800,000 in our state revenue projections. A bad financial picture just got worse.”

The State Board of Public Works approved a package of budget cuts last week that included a 90% reduction in Highway User Revenues to local jurisdictions. The City had budgeted \$747,850 and will instead be receiving \$74,785. In addition, they reduced the State Aid to Police funding from \$392,040 to \$254,826, a reduction of 35%.

“In a General Fund with \$13Million in total revenues, this is a 6% cut. With a cut of this magnitude we are looking at a variety of options to bring our budget into balance,” continued Mayor Utz, “including eliminating services or programs, cancelling capital projects and equipment purchases, examining the take home vehicle program, freezing employee salaries and benefits—everything is on the table for discussion. A hiring freeze has already been implemented and we do not expect to fill any vacant positions. No new projects or programs beyond those already funded will be implemented. Unfortunately, we expect that further cuts will be needed after the revenues are projected again in December and FY2011 looks to be even bleaker. I will be working with state, county, and municipal government partners, as well as the Maryland Municipal League to seek solutions to this problem.”

For the past two fiscal years, the financial picture has been deteriorating for local governments, with reductions in revenues from the housing sector, transportation, and property tax assessments to substantial increases in utility costs, gasoline costs, and health care. Unfortunately, at the municipal level, government provides basic quality of life services—and when these services are reduced, citizens suffer.

To cope with the reduced revenues and increased costs, the City of Westminster instituted staff lay-offs, postponed the street repaving project and increased the employee share of health benefits in FY2009. Merit increases and cost of living adjustments were eliminated and a new health care plan and provider were implemented in the FY2010 budget.

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We will continue to provide information on possible reductions as the Mayor and Council discuss the options and develop a plan to balance the budget. Updates will also be provided on the website [www.westminstermd.gov](http://www.westminstermd.gov).

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*The City of Westminster Administration Department is located at 56 West Main Street. This department oversees all of the departments in the General Government and is the central location for the City. For more information, call 410-848-9000 or visit [www.westminstermd.gov](http://www.westminstermd.gov).*

*~~The City of Westminster Administration Department is located at 56 West Main Street. The department is responsible for overseeing the Planning, Zoning and Development, Finance, and Housing Departments. For more information, call 410-848-9000 or visit [www.westminstermd.gov](http://www.westminstermd.gov).~~*