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MAYOR ANNOUNCES WAGE FREEZE TO ADDRESS \$1 MILLION GAP CREATED BY STATE BUDGET PROPOSALS

Neenah Mayor George Scherck announced today that the City faces budget gap in excess of \$1 million for 2010 as a result of changes in the proposed 2009-2011 State Budget. To close that gap, Scherck proposed several measures intended to slash City spending.

“First, I am proposing a freeze in the Mayor’s salary through 2014 and on employees through 2010,” Scherck said. “The wage freeze on nonunion employees will be implemented immediately while a freeze on union employee wages will depend on negotiations with the City’s unions because contracts are settled through 2010.”

In meetings with city staff and union representatives this week, the Mayor laid out the bleak budget picture. Mayor Scherck also made it clear in the meetings that every line item in every budget needed to be re-examined for possible reductions in 2009. Although union contracts run through 2010, the Mayor met with union representatives to ask for concessions. He made it clear that City employees cannot remain a separate class of employees far different from what other employees are experiencing.

“I found that most of our employees were very receptive to our message and understand that a freeze in compensation is a necessary part of dealing with our budget deficit. Many also expressed a true appreciation for their employment with the City and sensitivity to the difficult economic circumstances faced by many of their fellow citizens,” Scherck said. “I think it says a great deal about Neenah employees that they are open and willing to consider changes that will allow the City to continue to provide a high level of public services at a cost our citizens can afford,”

In addition to the wage concessions, the Mayor directed City department heads to focus on additional cuts to the 2009 budget. “Already, we have identified \$200,000 in cuts for 2009 which can be used to offset increases in the 2010 budget,” said the Mayor.

Scherck pointed out that Neenah started 7 years ago to take steps to reduce expenditures and prepare the City for the budget crisis now faced by every municipality and school district in the state. “Doing more with less” has become an accepted operating motto for all City departments and this was recently illustrated when the Council adopted a Five Year Capital Improvement Plan that reduced expenditures by \$12 million

“As our citizens face wage reductions, wage freezes, lay offs and reductions in benefits, a salary freeze seems like a small sacrifice for public employees to accept”, Scherck said.

“If staff reductions become necessary, this will clearly impact the level and quality of public services Neenah has come to expect and is the last option to address this crisis. If everyone sacrifices a little today, we can preserve quality public services for tomorrow”, Scherck concluded.