



City of Milwaukee

City Hall
200 East Wells Street
Milwaukee, WI 53202

Meeting Minutes FINANCE & PERSONNEL COMMITTEE

ALD. FREDRICK G. GORDON, CHAIR

Ald. Michael J. Murphy, Vice Chair

Ald. Paul A. Henningsen, Ald. Michael S. D'Amato, Ald. Willie L. Hines

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Friday, October 4, 2002

9:00 AM

Room 301-B, City Hall

BUDGET HEARING

Meeting Convened: 9:10 A.M.

Present 4 - Murphy, Henningsen, D'Amato, Hines Jr.

9:00 A.M.

Also appeared: Laura Engan, Director (DOA-Budget), Cassandra Patterson, Special Assistant to the Finance & Personnel Committee, Marianne Walsh, Manager (Fiscal Review), John Egan (Comptroller's Office)

020851

Communication from the Mayor transmitting the 2003 City Budget.

BUDGET OVERVIEW

Laura Engan appeared.

The Budget Director introduced her staff and disseminated a copy of the transparencies entitled "2003 Proposed Executive Budget – Building Milwaukee", which included numerous supporting graphs relating to the 2003 Proposed Budget, Initiatives, Past progress, Total budget as a percent of adjusted gross income and gross city product, property tax levies 1988 through 2003, Comparison of City and County Inflation-Adjusted Tax Levies 1992-2003, Comparison of City and County Contributions to Retirement Systems, Comparisons of property tax rates in Milwaukee, Annual Increases in Health Benefits, Health Care Costs as a Percent of the Property Tax Levy, Tackling Health Care Costs, Growth in Residential Properties vs. Growth in All Other Property Categories, Targeted Spending, Authorized Positions, Strategic Budget Reductions, Real Increase in Spending 2003 Proposed – 1996, Per Capita Spending, 2000 Per Capita Total Expenditures, Future Challenges, Structural Issues: An Overview, Projected Revenues and Expenses (2003-2008) (Preliminary), 2003 Budget Sources of Revenue (Excluding Borrowing Authorization) and Real Growth of Intergovt. Revenue (1990-2003) Bottom Line. She outlined the City's strategic objectives in view of major budgetary/revenue changes and the budget reduction of 231 positions and

elimination of three high level, deputy positions, efforts of intergovernmental cooperation. Department of public works continuing to work with the county in developing a green house. The goal is to maintain a constant level of funding. The levy does grow by 5.3%. next year. In early 1990 we were the second highest taxpayer and last year we were in the middle. Milwaukee has saw an extremely strong property growth and is a reflection of the fact that people want to be here and relocate in Milwaukee. Looked at City priorities and focused on our goals, we have dedicated more resources to police. We made targeted reductions especially in Administration. We continue to deliver high level services and reduce the costs. State shared revenue is below the rate of inflation. Personnel counts over the last 14 years, we dedicated more resources to police and had a real reduction the cost of administration. We continue to provide high quality services and reduce cost. The governor initially proposed a complete elimination of state shared revenue by 2004, but we saw a 1% increase. In Health Benefits, we are seeing significant increases well above the rate of inflation. The Mayor's Task Force is continuing to look at that. In 2003 the percent of our tax levy for health care is over 40%. We have a one year HMO contract saving for 2003 of about 8 million. Most of the revenue the City receives, 41.8% Shared revenue which is critical to the City of Milwaukee and also to the State of Wisconsin. Despite Past Success, Milwaukee cannot afford current operations with the property tax levy. The tax rate is applied on the value of property. If the City made no changes the taxpayers would have been paying 16% more. We've been able to accomplish a tax levy that is below the rate of inflation. The levy will grow by 5.3% next year. In the early 1990's the County and City tax rate was basically the same and over time Milwaukee has a very solid budgeting and has been able to keep that level below what has been happening at the County. We've had to make tough budget decisions to do that, including fully funding all of our obligations. We must continue to push efficiently. Ald. Hines asked Ms. Engan about pushing for efficiencies while she often talked about development in the downtown area. He wanted to know about housing stock in general. She replied Milwaukee is fortunate to see extreme growth in the entire City.

Ald. Gordon thanked the Fiscal staff, Marianne Walsh, Angelyn Ward, Mark Ramion, Jim Carroll, Terri Gabriel and Emma Stamps for their assistance and hard work.

MAYOR'S OFFICE

Steve Jacquart, Erik Pearson and Emma Stamps appeared.

City government will continue to get smaller under this budget, eliminating another 138 positions.

Mr. Pearson stated the Compass position (Jim Pingel) is eliminated due to the end of funding of the grant. 99% of the assessment areas grew above inflation.

Ms. Stamps noted that there will be eliminating 1 staff assistant, 1 office assistant and an aide. The 2003 budget does not include capital improvement costs. Ald. Hines asked about the elimination of the grant funding for the Compass position. Mr.

Jacquart stated they are struggling trying to find funding for this position. With that program they have been able to access much information as quickly as possible. Mr. Pingel works with all members of the Common Council. He used to work in Budget Office as well as the Police Department. They feel it has been very successful. Mr. Jacquart feels that as talented as Mr. Pingel is, he will be able to find some contract work and they are hoping perhaps in March they may be able to find some funding.

Ald. Murphy stated that there is some difficulty getting information from the chief of police and perhaps they could get the police department to pay for this position. Mr. Jacquart stated it is a possibility. Ald. D'Amato asked Mr. Jacquart to elaborate on some of the problems they have had and how poorly some of the departments work

together and what is the total investment in this project. Mr. Jacquart replied that some of the challenges have been technology and getting data turned around quickly, and dealing with Community groups, police, etc. Mr. Jacquart stated information from the Police is not being released in a timely fashion and isn't sure of the reason for that. He stated investments are Mr. Pingel's salary and two positions in ITMD. Ald. D'Amato stated that when the Police Department comes up, they should be asked why they are withholding information. Ald. Murphy asked Mr. Jacquart to look at the possibility of using Asset Forfeitures to fund this position. Ald. Gordon stated him and Ms. Patterson have attended meeting of the Mayor Healthcare Task force. He asked what the situation is now as we are able to deal with the budget for next year. Mr. Jacquart replied that they are continuing to meet, get new ideas and get the market to work and create competition in the health care industry. Ald. Gordon asked if there are any suggestions/solutions for 2004 and beyond and if there is a forecast they can rely on so that they don't have to rely on last minute things like those that happened this year with the health care plans. Mr. Yaccarino stated they are looking at various plans for the upcoming years, including offering the "narrow network" to all employees. Ald. Murphy mentioned workplace injuries and that there is a substantial increase along with occupational health injuries. He is concerned about how that relates to the increase in those costs and as it relates to a wellness program. We don't have a Wellness program in place with the City. We did implement one policy and that was to eliminate smoking. He asked what thoughts has been put into encouraging employees to be in better shape and take better care of themselves. Mr. Yaccarino stated that the City is looking into joining larger health care wellness programs. They are concerned about how to create that program so that it does not just become a payoff, that it actually makes people healthier. This plan is still in the working stages. Ald. Murphy stated the costs for workplace injuries is about \$10,000,000.

(Ald. Hines excused)

CITY CLERK

Ronald D. Leonhardt, Donna Johnson, Eric Pearson & Angelyn Ward appeared.

Mr. Pearson presented his overview of the budget report.

Ms. Ward read the fiscal highlights. Mr. Leonhardt stated when this budget was submitted in May he put himself on a diet and lost 31 lbs. and at the same time trimmed \$250,000 from his budget, making it leaner but not meaner. He stated in the past they always submitted a budget on what they thought was needed, but this year he made a very serious effort to meet the allocation of the Mayor's office. They have made a \$100,000 reduction in computer upgrades and reduced travel for council members by 25% and eliminated travel funding for the City Clerk and Deputy City Clerk. They are attempting to do some cross-training of staff and have a more efficient use of staff. Ald. D'Amato asked how we ended up with the police liaison officers? Mr. Leonhardt stated some years ago they were on our payroll. Ms. Engan stated that with the combining of the departments of DER and the Fire and Police Commission, they felt a better place for them was with the Council. Mr. Leonhardt stated this is mainly for payroll purposes. Ald. Murphy asked if these positions are paid from the taxpayers or are they paid for by the unions. These positions are paid for by the City, which was required by the State. Ms. Engan thinks we are reimbursed for one position. Ald. Gordon asked about changes in the license divisions, including permit work and what type of response they received from applicants. Mr. Leonhardt stated they can't reflect savings at this time due to the startup costs. He stated they can not submit them electronically at this time but hope to do so in the future. Council agendas, committee agendas etc. are all available online. We are putting bicycle

licenses on line making it easier for the police department to track bikes and making it easier for residents to license their bikes. There are some complications due to some requirements that have thus far inhibited us from doing them online. He stated we are in the startup efforts. Ald. D'Amato stated that any uncontested licenses whether it be a tavern, bartender etc. that we should have them online to save staff costs and make it easier for them. He will make an AMENDMENT that this all be available on line by the end of 2003. Mr. Leonhardt stated to be careful about the all. They are working on these, but there is some problems with credit card payments. Ald. D'Amato also wanted it to be noted that Mr. Wright and Mr. Novak would be able to work for all 17 alderpersons. He feels we cannot give up the responsibility about the checks and balances of Time Warner complaints. He feels that if these two people do not continue to do these, we need to come up with a plan. This is being checked out to see if this is allowed under Block Grant allocations. Mr. Leonhardt stated if this is not allowed by HUD, we will find other staff to deal with these complaints. Ald. Murphy stated there is no need to have these employees deal with these. He feels his office handles more complaints in a month than these two positions handle in this year. Ald. Murphy stated he will be offering an amendment on this issue. He stated if nothing else, we could use this money for the Compass position. He encouraged the City Clerk to use college interns. He also asked the City Clerk if he has given any consideration to reducing high level management in our office. Mr. Leonhardt stated he has and is going to give some serious thought to not filling some of the positions when they are vacant. Ald. Murphy stated some of the positions they are eliminating, do get a great deal of work out of them. He asked Mr. Leonhardt to go to a private vendor for copying and seeing what the costs are and if it is timely. Mr. Leonhardt feels there won't be a problem doing it, but there may be some additional startup costs for in-house equipment that we may need. Fiscal Review took budget amendments to a printer by 2 AM and the amendments were back by 5:30 AM. He stated centralized services can be more cost efficient. Ald. Gordon stated that members should receive balances from the Government Communications Committee and whether we can cut costs there. At the last meeting there was additional requests for funds for these services. Most of newsletter printing is done outside except for the preparation, which is done by our staff. Every member should be receiving a monthly statement of their mailing costs. Ald. Murphy asked to see the lists for aldermanic mailing costs. Ald. D'Amato asked if Mr. Leonhardt could prepare for us how much additional equipment/costs would be needed to do our printing in-house and asked Ms. Walsh to prepare a letter to all departments asking them how much it would cost/effect them to do all their own printing or get it done on the outside. There is an annual contract bid out for printing and Mr. Leonhardt believes it is just for our office.

ELECTION COMMISSION

Julietta Henry, Victoria Robinson, Eric Shamburger & Angelyn Ward appeared.

Mr. Shamburger presented his overview for the budget report. Angelyn Ward state funding is provided for two elections and 16 various positions. This year there were 4 scheduled elections and the City has participated in 4 special elections with one pending due to the recall of various County Supervisors. 12,065 poll workers will be hired in the 2003 budget. Ms. Henry reported that Poll workers will be receiving a 10% (\$7.65 for the entire day) increase. ITMD will be working with the election Commission to review the current process. Ms. Henry thanked her staff for a very rough summer with all the special elections. The polling locations did not decrease drastically. Many members of the council asked that they not double up on wards. Ald. D'Amato asked how they handled the five special

elections without going over their budget. She stated they are on the F&P agenda asking for an appropriation. The actual costs is about \$720 per ward for each election. The County will reimburse the City for the costs of the special elections. He asked who prints their materials. She stated there poll lists are printed by MPR and they print a total of 40,820 pages per election. They send it downstairs directly through their computer system. Currently they pay approximately \$7,000 to MPR for the printing of a citywide poll lists. Ballots are printed by the County. He asked how often they purge the poll lists. They are purged every 4 years within 90 days of the presidential election (2000). Ald. Murphy stated perhaps one list we would like to target is retired City of Milwaukee employees. Perhaps when they retire we could send something to them asking if they'd be interested in this part time employment. Ald. Gordon stated we have a special election Oct. 8 and how are they handling it. Ms. Henry replied they are ready, capable and willing and they will be there for any elections that occur.

CITY ATTORNEY

Grant F. Langley, Barbara Woldt, Katie O'Sullivan, David Schroeder & Mark Ramion appeared.

Mr. Schroeder stated that the department hired a parking review citation manager, and is presently underfilling a city attorney position, but in 2003 will be paid out of the parking fund. This position is housed in the Police Administration Building. It allows the Assistant City Attorneys to handle other responsibilities. There is a 20% increase in the damages and claims fund. A receivership fund for 2003, is simply for funds that the City Attorney spends from this special purpose account. The City Attorney continues to protect the legal interest of the City.

Mr. Ramion read from the fiscal review report. Mr. Ramion stated two assistant city attorneys are eliminated in the proposed budget and replaced with one part-time and one Auxiliary Assistant position. The vacant positions of Legal Office Assistant II and two Graduate Intern positions are eliminated.

City Attorney Langley stated their operating budget is salaries and fringe benefits. He wants to use the legal resources they have more efficiently and move more of the lawyers from the branch with the understanding that he would leave at least 3 lawyers in the branch. He intends to construct offices for lawyers in the interiors rather than the outside walls. They have already moved one position into City Hall. He stated he had some retirements including Beverly Matthews and Tom Hayes, who will retire in December. The Parking Review Citation Manager position is now in effect. The person hired is doing an excellent job. This position makes it more efficient for his office to handle these disputes Mr. Langley stated they are remodeling some of the offices. He stated he mentioned last year that he was very concerned about the backlog of cases before the Board of Review. He now has an attorney working with that Board and the backlog is not that great. Nuisance Abatement Efforts – some new initiatives are Lead Abatement warrants. They can go into the properties without the approval of the landlord, if necessary, but with the approval of the tenants. The number of warrants they will seek will increase and it has been a very successful effort. In June of 2002, all delinquent tax properties were referred to the Kohn law firm for collection. This is a pilot program which will end in December and will be reported back to the Council. Ald. Henningsen asked how this relates to the treasurer's test program. Mr. Langley stated this is the same thing. The firm has modified their fees. The Firm collects 10% of the fees for that effort. The decision on how they will proceed with the pilot program have not been made and will not be made until the completion of the program. He asked what we do when a property is abandoned? Mr. Langley stated this is an issue we'll have to address. These matters are referred to Kohn for collection efforts prior to initiating a lawsuit. Ald. Henningsen asked for a list

of what outside firms we hire, not necessarily just the City Attorney, but all offices, including Milwaukee Economic Development, NIDC, RACM, etc. and as to what we are spending on the outside for attorneys. These lists will come from City Attorney and the Budget Offices. Ald. Gordon asked in 2003 what we are looking at as far as liabilities. In 2003 they are asking for \$2.4 million (\$600,000 comes off the top this year, next year and the following year for Fire & Police Commission for the firefighters discrimination lawsuit). Mr. Langley stated he sent a letter June 19, 2002, which outlined some of the pending cases. Ald. Murphy asked if his office is providing any educational classes to the recruit classes of Milwaukee Police Department. Mr. Langley stated they do and he is the sponsor of the current class and will spend some time with them. Ald. Murphy asked about the dispute between Milwaukee County and the City about the care of prisoners. Mr. Langley stated this matter is not settled and the City pays what they feel is the appropriate rate determined by the Comptroller and is well documented and hopes to get it resolved when a new corporation counsel is hired by the county. Ald. Murphy asked about public nuisance efforts and the substantial increase and asked if the City attorney could handle the increase in these nuisance efforts by DNS. Mr. Langley said he could. He stated he looked at the resources he has allocated to this effort and feels they could handle it. They now have more laws on the books to help in their efforts. Ald. Murphy asked Mr. Langley about the significance of the retiring of Tom Hayes and all his invaluable knowledge on the City's retirement system and the Deferred Compensation Board. Mr. Langley stated they are looking at restructuring and how they are going to handle it internally and externally and insure that same level of representation is there. Ald. Gordon asked how they are informing the public in disseminating the change that you no longer deal with a Assistant City Attorney to deal with parking citations. Mr. Langley feels they now have a much more consistent effort by having these handled by one person. Ald. Gordon stated people expect to see the City Attorney and get a reduction in their parking fines. Mr. Langley stated he will take a look at this situation and stated they will have consistency in handling these disputes. The process has not changed as far scheduling an appointment. A citizen should contact the Violation's Bureau. Ald. D'Amato asked if one person is enough. Mr. Langley stated they will wait 6 months to see if the resources they have now are sufficient. Ald. D'Amato asked if we pay the county when an individual is given a choice of paying a fine or spending some time in jail. He asked if these were all non-violent offenders. He stated perhaps we could have these people under in-house arrest. Is it possible for us to give the individuals a choice about jail or house arrest? He stated house arrest costs 1/5 of what incarceration does. Mr. Langley stated he will research the answer. Mr. Langley stated he does know that many times when someone reaches the jailhouse door they come up with the money. He stated this question should be asked to Municipal Court. Ald. Gordon asked if the assistant city attorneys normally handling parking citations are still housed at the branch.

(Ald. Henningsen excused at 11:20 A.M.)

The attorneys currently at the police administration building still handle other matters. Attorneys will fill in when the Parking Citation Review Manager is on vacation or out sick.

(Ald. Hines returned at 11:25 A.M.)

ASSESSOR

Mary Reavey, Peter Weissenfluh, John Constant, Sandra Rotar, Dennis Yaccarino, Terri Gabriel & John English appeared.

Mr. Yaccarino stated the restructuring of the department allowed them to eliminate 5 positions and will reduce the number of large variations from assessment year to assessment year. Ms. Gabriel stated there will be a reduction of 5 positions, 70 positions to 65 positions. In 2003 the Assessor's Office will begin annual reevaluations. Mr. English (District Council 48) stated that the reorganization may not be going as smoothly as management thinks it is going. He asked if one of two positions that they planned on eliminating could be saved and be looked at next year. Senior Property Appraiser John Constant, Union President of Local 40 stated he found it very informative to appear before this Committee and makes him better understand the operation of this government. Local 40 is not opposed to annual revaluations. This is a service to the public and they get a better idea of the estimate of value of their property. Last year there was a realization that the budget should be increased for this annual revaluation. 4 new assessors were hired all with impressive qualifications and they had to be trained. Currently they are short 2 appraiser positions (one retired and one on extended vacation and will likely retire the beginning of next year). The office dropped one of two full time supervising assessors. The assessor's office is in a transitional period due to a significant reorganization of the office. He feels now is not the time to be cutting back. There are too many uncertainties. They would like to see 36 assessor positions filled and when they become vacant that they are filled in a timely manner. There is much to do. It is not an easy task to do annual revaluations.

Ms. Reavey thanked the budget office and LRB for helping with this process. The 2003 budget does provide for the first annual revaluation. They began in 1994 updating their commercial valuation system and then completed the residential valuation system. This created a change from a 5 category system to a 2 category system. Appraisal is appraisal. It's just applying it to different types of properties. She stated they need to create efficiencies. They have made a significant progress of old appeals that were pending before the Board of Review. They're completed all but about 15% of old appeals pending before the Board of Review. Without this barrier, they will have more freed up staff to handle the annual reevaluation process. They can watch the market closer and there should be less appeals. In the 2002 budget they were allowed 3 auxiliary assessor positions to work on the backlog of all the appeals before the Board of Review. The reality always was that once that backlog was taken care of one of those positions would be eliminated. In 1988 they moved to two-year cycles. She has set up assessment programs in other municipalities and was not afraid to talk to the Common Council and the Mayor if she thought they were not ready. She feels they are ready at this time. Ald. Murphy asked how many appeals were submitted to the Assessor's Office. Ms. Reavey replied they received 4700 appeals. They have completed all but the 600 in process and about 177 that have not been started. Ald. D'Amato asked about how we are going to do twice as many assessments with 2 fewer staff and asked for a comparison as to how many other cities had annual revaluations. Ms. Reavey stated she would get that information to the Committee. She feels it is really just one position they are asking to eliminate as the one was only a temporary position. Ald. D'Amato stated the number of tax exempt properties is up 36%. The State is the one that gives exemptions and not the City. St. Lukes is worth \$750,000,000. Ald. Murphy stated that hospitals are non-profit, yet many of them make money. Mr. Weissenfluh, Chief Assessor, stated they have worked with Intergovernmental Relations to present a package to the council to recoup some of the fees they take on in issuing an exemption. Ms. Reavey stated they spend a lot of time and money issuing exemptions. She feels the entity that is requesting the exemption should pay the costs of processing it. Ald. Hines asked if any are rejected. Mr. Weissenfluh stated many are denied, but there is an appeal process and they can go to Circuit Court. They currently received about 35 – 50 new requests per year. Ald.

Murphy asked if there were any outstanding appeals/budgetary issues where they would be coming before the council for contingent funds. Mr. Yacarrino stated the biggest pending one is a NML, which is about a million dollars. Ald. Murphy asked about the difference in some municipalities being assessed annually and some being assessed once every four years. The distribution of shared taxes is made on an equal level. They have a levy that is distributed among the municipalities. They are looking at the municipality paying their fair share and we are looking at the properties paying their fair share. Mr. Wiessenfluh stated it is for fairness and uniformity of the tax bill. Ald. D'Amato asked who they used for their printing. Ms. Reavey replied they have used a combination of MPR and outside sources for printing. The decision is the timing. They used MPR for bigger jobs because it is convenient. Under the new plan they will have to plan in advance and get a bid out.

DEPARTMENT OF ADMINISTRATION (including all ISA's)

Michael Soika, Cheryl Oliva, Randy Gschwind, Pat Curley, Katie O'Sullivan & Terri Gabriel appeared.

Ms. O'Sullivan read from the budget highlights, which included elimination of deputy director position and transfer of the Equal Rights Commission. Ms. Gabriel presented her fiscal highlights report stating a reduction of 16 positions and total operating expenditures reduced by 2%. Elimination of two duplicating technician positions. Mr. Soika stated in 1988 when Mayor Norquist took office 52% of the block grant dollars went to the neighborhoods. They would be very supportive of CDBG funds for the Compass position. Randy Gschwind stated the billing module is not being used in FMIS. He believes the money was used for licensing costs. DPW thought they could write a module that would serve their needs more efficiently. They have interfaced that program with the FMIS system. They are negotiating with them their ongoing licensing costs. Ald. Murphy stated there is a \$1,000,000 technology fund – do we have projects ready to use those dollars that will result in some efficiencies for 2003. Ms. Engan stated they would like to create some room so they can further expand the use and build in more efficiencies for city government. Ald. D'Amato asked about credit card payments. Ms. Gschwind stated that they have most of the technical programs solved and they are hoping to do that before the suggested deadline. There is a credit card fee of 2 to 3%. The DPW system is a vendor operated system and the proposal is to attach a fee for paying a ticket on line. Ald. D'Amato asked if the bank that would handle this would go out to competitive bid. Mr. Gschwind stated they are working out that issue with the City Treasurer. The technical part is the easy part and now they are working with the departments. Ald. D'Amato is concerned that they use the Comptroller's report and banks that contribute most to the City. Ald. Hines asked about the EBE program, objective was to increase participation on state projects and what we are doing to increase this participation. Ms. Kelsey replied this project has not yet been completed. The fee was decreased to a flat \$50 fee. Ald. Murphy asked if we had the City Attorney's opinion of whether we can charge the 2% (credit card fee) to the customer. Ms. Oliva stated that we can not charge a fee specifically for using the credit card. Mr. Soika stated the technology fund could be an option. Ald. Murphy asked about a grant program that was offered by the American Energies Program that gave awards to cities for programs that generate energy and revenue. We pay WE energies over \$11,000,000 just for our streetlights. Chicago won the award this year. They will be building several windmills. He stated we have to be creative on this. What is the possibility of us generating our own energy. He challenged their department to start looking at that. Milwaukee did not even apply. He stated we sent

back a response "sorry but we are not interested". Ald. Murphy wants to make certain we apply for that next year. Mr. Soika stated they would apply. Ald. Henningsen asked what they can do to increase the amount of federal funding. Mr. Curley replied their division years ago, prior the Norquist administration, was responsible for being more than a clearinghouse. They no longer do that. They send out notifications to departments. DCD and Health are responsible for applying for them. They all get noticed. Ald. Henningsen asked if we should consolidate again. Ms. Engan stated that since they put it back into the departments that are using the money we have been very successful. However some departments have not been using this. He asked for a list. Mr. Egan stated this is published every year as a result of the Comptroller's office single audit. Mr. Soika stated we do a great job but we don't do a good job in announcing how well we have done. Ms. Oliva stated in the year 2002 the EBE program became part of the Business Operations Division. It has enhanced the division to work directly one on one with the EBE staff and get a good participation rate. Working closer with the staff of EBE has significantly increased their participation. They have lots of the information online. They are proposing the Central Board of Purchases be renamed the Central Board of Appeals. There were concerns about the procurement process in general and departments complained it took too long to make their purchase. The central board was brought back and was instrumental in bringing back and improving the efficiency and down sized staff and increased competition. Quarterly reports would be submitted to the Board on purchases and if there were questions they would answer them. The Board of Purchasing as it stands now, is really more of a rubber stamp. The State law and the ordinance states that the low complying bidder is the one that gets the bid. Ald. D'Amato asked about the EBE? Ms. Kelsey stated the projects that are funded with Federal Transportation aids the City will have to accept. Any business that is certified with WISDOT, the city will have to accept for a project that is financed with Federal transportation aids. Ald. D'Amato asked what the County and State didn't do that we wanted them to do? Ms. Kelsey stated the laws are different. In the County's program you are disadvantaged if you are a minority. The City is not allowed to do that. The City's program is race and gender neutral. The last challenge the City had was in early 1990 and we were successful. Ald. Henningsen asked if the CDBG office should go to DCD. Mr. Soika state the CDBG office as it stands has kept us clean and kept us out of arm's way and is cognizant of the federal regulations. He feels the balance we have is a good balance. He feels that overall they have been a supportive organization. Mr. English (District Council 48) stated that two weeks ago he knows where MPR was but didn't know what they did. These two positions in MPR each make less than \$34,000 a year. The print shop does not operate at a loss. The option has been out there for awhile to either go in-house or outside. For whatever reason, most go to MPR, so it must be done to the customer's satisfaction because the departments keep going there. Right now there is an internal competitor with a privateer. Right now those dollars go to City of Milwaukee residents. He finds that highly unlikely that would be the case if the print shop was eliminated. Ald. D'Amato stated that the majority of savings come from the lease of the City equipment. Ms. Oliva stated the history of why we have a print shop is that year's ago it was a necessity. Now departments are watching how they are using they dollars and they are going out and getting competitive bids. It costs 5 cents per page for a copy from MPR and some of the equipment is very old. It would be about a half million dollar investment to update which they couldn't justify because they can not guarantee a return. To get a copy from Kinko's is 3 cents per page for large volume. She stated this is a way that we can make government smaller without directing effecting the taxpayer. Ald. D'Amato stated that the amount of money we might save by getting rid of these two positions would have a ripple effect putting costs on other departments. Ms. Oliva stated they do not have a 24 hour department and they can not get the product to the customer in the way private

industry can. She stated there may be some differences and difficulties at first, but after they get bids they will have several competitive vendors which hopefully will even give us a better price. She stated this was a business decision and no one did anything wrong. Ald. D'Amato asked Ms. Oliva if she could get figures from perhaps the last 5 years were MPR was successful in getting the bid. He asked if they received reports from departments on how much it would cost the individual departments if they had to get outside printers or add additional equipment to do their own. Ald. Henningsen asked who would print the labels for their mailings. Ms. Oliva stated this is something that would have to be bid out.

A motion was made by Vice Chair Murphy that this matter be HELD TO CALL OF THE CHAIR. The motion carried by the following vote:

Aye 4 - Gordon, Murphy, D'Amato and Hines Jr.

No 0

Excused 1 - Henningsen

Meeting Adjourned: 1:08 P.M.

*KATHLEEN M. MARQUARDT
Staff Assistant*