



Tom Barrett
Mayor, City of Milwaukee

November 19, 2007

To The Honorable
Common Council of the
City of Milwaukee

Dear Council Members:

The 2008 city budget reflects the final year of a three year plan to improve budget sustainability. Prior to the adoption of the 2006 budget, the city's three year imbalance between baseline expenditures and revenues was approximately \$166 million. Effective cooperation between the Mayor and the Common Council addressed this imbalance successfully. The last three budgets have maintained key city services, allowed for new initiatives, and contained property tax and municipal service charges within reasonable levels. This success is especially notable in light of State government's continued inaction regarding meaningful increases to Shared Revenue.

I want to thank you for your overwhelming support of my priorities in the 2008 budget. These priorities include expansion of the school security partnership to three additional high schools; an increased Police overtime budget to enable a fiscally responsible approach to summer safety initiatives; improved street maintenance; reduced replacement cycles for essential infrastructure; implementation of a Sustainable Boulevard Plan; and funding for economic development and job creation.

I also want to thank you for fostering initiatives that will improve city services in 2008. These actions include productivity enhancing uses of civilian staff in the Police Department; increased service capacity at the Health Department's STD Clinic; and the implementation of a Healthy Neighborhoods Initiative in cooperation with the Greater Milwaukee Foundation.

The Common Council, through the leadership of the Finance and Personnel Committee, demonstrated considerable responsibility in its approach to amendments. Although you faced multiple and competing requests for increased spending, the 2008 budget you adopted practically mirrors the total expenditures and revenues that I proposed. In addition, the Council avoided increased reliance on reserves or borrowing as a way to fund its amendments. Your responsible approach will help us meet the challenge of future budgets.

In addition, you deserve congratulations for adopting a budget that, for the second consecutive year, included the lowest percentage increase in the tax levy of the five local taxing jurisdictions on the city's tax bill. Your action demonstrates that the executive and legislative branches can

work together effectively in providing a city budget that responds to community needs at a price it can afford.

This budget message contains two vetoes and related substitute actions. I will explain these items in detail in the section that follows. The first veto and substitute action returns the responsibility for intergovernmental relations to the executive branch, consistent with the Common Council's responsibility for establishing the city's legislative agenda. The second veto and substitute action provide the Department of Public Works with the appropriate resources to provide for a well maintained fleet of equipment.

Veto of Items included in Common Council Amendment 4

To Transfer the Intergovernmental Relations Division (IRD) Legislative Liaison Director position authority, funding and FTE to the Mayor's Office and to transfer all other IRD position authority, funding and FTEs to the City Clerk

I am vetoing certain budget lines and items contained in Common Council Amendment 4, which reorganizes several positions that are currently included within the Department of Administration's Intergovernmental Relations Division (DOA-IRD). The amendment transfers the Legislative Liaison Director from DOA-IRD to the Mayor's Office, and transfers the remaining four DOA-IRD positions as well as related operating and equipment funding to the City Clerk.

A strong legislative branch of government is consistent with a strong executive branch. In order for both of these branches to be effective and strong, it is necessary for each branch to wield authority appropriate to its responsibility. Checks and balances are best achieved through clear assignment of legislative and executive responsibilities and functions.

For example, development of the city's position for the biennial State Budget requires the coordination and prioritization of multiple interests that affect the city's residents, city departments, and other stakeholders. Based in part on my own experience as a legislator at the state and federal levels, I recognize how difficult it would be for the Common Council to adjust its representative function to the need for timely strategy proposals. An executive department answerable to the Mayor is a logical and appropriate functional approach to proposing priorities and strategies. In turn, the Common Council may use the legislative process to scrutinize these proposals and adopt, modify, or reject them as it deems appropriate.

In addition, there are many tactical and administrative roles associated with intergovernmental relations that are better suited for the executive branch. The State Budget process typically generates compromise proposals that incorporate only parts of the city's desired agenda. It is more practical for an executive department to evaluate how such compromises "fit" with the city's agenda, and to recommend a timely response to the Common Council.

The city must also engage with external entities, including other local governments and the Intergovernmental Cooperation Council, in order to address cross-jurisdictional and regional issues. Many of these issues involve other city departments. Placing this responsibility with an executive department enables the city to communicate and negotiate expeditiously, consistent with guiding principles and policies that the Council may establish.

I also have concerns with the operational implications of this amendment. For example, the amendment fails to identify who is responsible for the daily supervision and organization of the work of intergovernmental relations staff. The separation of IRD from DOA is likely to complicate its interactions with the Budget and Management Division on matters such as analysis of State financing formulas, levy limits, and statutory language. In addition, the current location of IRD within a cabinet department facilitates its crafting of specific elements of the legislative package and in responding to multiple pieces of State legislation that affect other cabinet departments.

The discussion surrounding this amendment focused primarily on the need for effective communication with the Common Council on intergovernmental matters, as well as the need for consistent representation of the city's adopted legislative policy. I agree that these are appropriate concerns. However, I disagree that the arrangement that results from this amendment addresses these concerns. I believe making a single elected official accountable, through an executive branch department, for communication and lobbying on the city's behalf results in a more focused and transparent process, both for the Council and our mutual stakeholders.

If the Council sustains my veto and adopts my proposed substitute action, I pledge to establish procedures that improve DOA's communication with the Council on intergovernmental issues. I will also hold IRD staff, including the Director, accountable for effective and consistent representation of the intergovernmental agenda that the Council adopts as policy. My proposed substitute action, which returns most current IRD staff and related non-personnel funding to DOA, also provides distinct resources for the Common Council to carry out its intergovernmental policy making responsibility.

The transfer of a Legislative Monitor position to the City Clerk's Office can accomplish several beneficial roles. These roles, subject to specific Council determination, could include (a) cooperating with IRD in identifying potential priorities for the city's legislative agenda; (b) analyzing the Mayor's proposed legislative agenda and State Budget proposals on behalf of the Judiciary and Legislation Committee; (c) monitoring legislative and Congressional action; and (d) researching legislation from other states to help the Council evaluate the potential effectiveness of various legislative alternatives.

The proposed substitute action will have no impact on the net operating budget or the tax levy.

Based on the above reasons, I ask that you sustain my veto and adopt my recommended substitute action.

Veto of Items included in Common Council Amendment 65A

To restore position authority and funding for an Auto Maintenance Mechanic and a Vehicle Service Technician in the Department of Public Works, with a corresponding decrease in the Vehicle Repair Services account.

I am vetoing certain budget lines and items contained in Common Council Amendment 65a, which restores position authority and funding for two positions in the Department of Public Works (DPW), and which makes a corresponding funding reduction to the Vehicle Repair Services account.

The Council adopted this amendment as a substitute to Amendment 65, which failed at the Finance and Personnel Committee. Therefore, there was no Committee discussion or DPW comment on the Substitute prior to its consideration on the floor during Budget adoption proceedings.

The 2008 proposed budget eliminated authority and funding for these two long-vacant positions and provided DPW with total funding of \$775,000 for vehicle repair services. This approach is based on DPW's actual operational needs to maintain the city's fleet.

DPW has demonstrated that it can maintain a fleet availability rate of more than 95% without filling these two positions, which have been vacant since Quarter One of 2006 and Quarter One of 2007, respectively. The proposed budget provides 19 FTE positions in DPW to perform the light repair services that the Vehicle Service Technician position would be assigned to, if funded for 2008. The proposed budget's elimination of the Auto Maintenance Mechanic reflects a reduced need for staff due to consolidation of certain repair operations at the Canal Street Garage.

- The elimination of these two positions is unrelated to the proposed funding level for vehicle repair services. The services account includes funding for glass, radiator, spring, and upholstery work along with various other special repairs. The vast majority of this work has not been performed by city forces for many years. Hiring and retaining additional city staff to meet special needs or peak demands is inefficient in comparison to using outside contractors on an "as needed" basis.
- The Council's amendment would reduce the repair services account almost 14% below the 2006 actual level of expenditures. DPW has stated that a reduction of this magnitude could reduce the availability of equipment for use in providing city services.
- More than \$25 million of investments in major fleet equipment over the last four years has reduced the need for corrective maintenance work.

My proposed substitute action returns funding and position authority for personnel and vehicle repair services to their proposed levels. This action has no net impact on the budget or the tax levy.

Based on the above reasons, I ask that you sustain my veto and adopt my recommended substitute action.

Sincerely,



Tom Barrett
MAYOR

DEPARTMENT OF ADMINISTRATION, COMMON COUNCIL-CITY CLERK, MAYOR'S OFFICE
AMENDMENT #4

A. DISAPPROVAL ACTION

The Mayor disapproves of the following budget line(s) in the 2008 budget: (which were affected by Common Council Amendment #4 which transferred the Department of Administration-Intergovernmental Relations Division to the Common Council-City Clerk).

<u>BMD-2</u> <u>Page and</u> <u>Line No.</u>	<u>Item Description</u>	<u>2008 Positions</u> <u>or Units</u>	<u>2008 Amount</u>
SECTION I.A.1. BUDGETS FOR GENERAL CITY PURPOSES			
DEPARTMENT OF ADMINISTRATION- INTERGOVERNMENTAL RELATIONS DIVISION			
SALARIES & WAGES			
110.15-7	Legislative Liaison Director (Y)	--	--
110.15-8	Legislative Fiscal Manager-Senior (Y)	--	--
110.15-9	Legislative Fiscal Manager (Y)	--	--
110.15-10	Administrative Specialist	--	--
110.15-11	Legislative Coordinator-Senior (Y)	--	--
110.15-17	Personnel Cost Adjustment	--	--
110.16-3	O&M FTE'S	--	--
110.16-9	ESTIMATED EMPLOYEE FRINGE BENEFITS	--	--
OPERATING EXPENDITURES			
110.16-13	General Office Expense	--	--
110.16-17	Other Operating Supplies	--	--
110.16-18	Facility Rental	--	--
110.16-20	Non-Vehicle Equipment Rental	--	--
110.16-21	Professional Services	--	--
110.16-26	Other Operating Services	--	--
110.17-3	Reimburse Other Departments	--	--
EQUIPMENT PURCHASES			
110.17-16	Computer Workstation	--	--

COMMON COUNCIL-CITY CLERK

SALARIES & WAGES

	Immediately following the line:		
150.1-8	“Deputy City Clerk (Y)”		
	Delete the following division title, positions, and amounts:		
	“INTERGOVERNMENTAL RELATIONS DIVISION”		
	“Legislative Fiscal Manager-Senior (Y)”	1	\$76,399
	“Legislative Fiscal Manager (Y)”	1	\$78,447
	“Administrative Specialist”	1	\$52,341
150.4-5	Personnel Cost Adjustment	--	\$-108,261
150.4-16	O&M FTE’S	95.00	--
150.5-6	ESTIMATED EMPLOYEE FRINGE BENEFITS*	--	\$2,134,769
	OPERATING EXPENDITURES		
150.5-10	General Office Expense	--	\$52,375
150.5-14	Other Operating Supplies	--	\$55,800
150.5-15	Facility Rental	--	\$13,900
150.5-17	Non-Vehicle Equipment Rental	--	\$61,500
150.5-18	Professional Services	--	\$62,000
150.5-23	Other Operating Services	--	\$480,476
150.5-25	Reimburse Other Departments	--	\$6,000
	SPECIAL FUNDS		
152.7-12	Computer System Upgrades*	--	\$126,900
	MAYOR’S OFFICE		
	SALARIES & WAGES		
	Immediately following the line:		
220.1-10	“ADMINISTRATION”		
	Delete the following position and amounts:		
	“Legislative Liaison Director (Y)”	1	\$99,105
220.2-2	Personnel Cost Adjustment	--	\$-28,436

220.2-13	O&M FTE'S	13.50	--
220.2-21	ESTIMATED EMPLOYEE FRINGE BENEFITS*	--	\$383,163

In lieu of the above disapproved item I recommend adoption of the following substitute action:

B. SUBSTITUTE ACTION

<u>BMD-2</u> <u>Page and</u> <u>Line No.</u>	<u>Item Description</u>	<u>2008 Positions</u> <u>or Units</u>	<u>2008 Amount</u>
	SECTION I.A.1. BUDGETS FOR GENERAL CITY PURPOSES		
	DEPARTMENT OF ADMINISTRATION- INTERGOVERNMENTAL RELATIONS DIVISION		
	SALARIES & WAGES		
110.15-7	Legislative Liaison Director (Y)	1	\$99,105
110.15-8	Legislative Fiscal Manager-Senior (Y)	1	\$76,399
110.15-9	Legislative Fiscal Manager (Y)	1	\$78,447
110.15-10	Administrative Specialist	1	\$52,341
110.15-17	Personnel Cost Adjustment	--	\$-7,657
110.16-3	O&M FTE'S	4.00	--
110.16-9	ESTIMATED EMPLOYEE FRINGE BENEFITS	--	\$122,440
	OPERATING EXPENDITURES		
110.16-13	General Office Expense	--	\$2,375
110.16-17	Other Operating Supplies	--	\$800
110.16-18	Facility Rental	--	\$3,900
110.16-20	Non-Vehicle Equipment Rental	--	\$1,500
110.16-21	Professional Services	--	\$22,000
110.16-26	Other Operating Services	--	\$10,000
110.17-3	Reimburse Other Departments	--	\$6,000

EQUIPMENT PURCHASES

110.17-16	Computer Workstation	1	\$1,500
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SECTION I.A.1. BUDGETS FOR GENERAL CITY PURPOSES

COMMON COUNCIL-CITY CLERK

SALARIES & WAGES

150.4-5	Personnel Cost Adjustment	--	\$-103,147
150.4-16	O&M FTE'S	92.00	--
150.5-6	ESTIMATED EMPLOYEE FRINGE BENEFITS*	--	\$2,052,214

OPERATING EXPENDITURES

150.5-10	General Office Expense	--	\$50,000
150.5-14	Other Operating Supplies	--	\$55,000
150.5-15	Facility Rental	--	\$10,000
150.5-17	Non-Vehicle Equipment Rental	--	\$60,000
150.5-18	Professional Services	--	\$40,000
150.5-23	Other Operating Services	--	\$470,476

SPECIAL FUNDS

152.7-12	Computer System Upgrades*	--	\$125,400
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MAYOR'S OFFICE

SALARIES & WAGES

220.2-2	Personnel Cost Adjustment	--	\$-25,893
220.2-13	O&M FTE'S	12.50	--
220.2-21	ESTIMATED EMPLOYEE FRINGE BENEFITS*	--	\$343,278

C. COMBINED EFFECT OF ACTIONS A & B ABOVE:

1. Budget Effect = \$0
2. Levy Effect = \$0
3. Rate Effect = \$+0.00

DEPARTMENT OF PUBLIC WORKS-OPERATIONS DIVISION
AMENDMENT #65A

A. DISAPPROVAL ACTION

The Mayor disapproves of the following budget line(s) in the 2008 budget: (which were affected by Common Council Amendment #65A which restored position authority and funding for two positions in the Department of Public Works and made a corresponding funding reduction to the Vehicle Repair Services account).

<u>BMD-2</u> <u>Page and</u> <u>Line No.</u>	<u>Item Description</u>	<u>2008 Positions</u> <u>or Units</u>	<u>2008 Amount</u>
SECTION I.A.1. BUDGETS FOR GENERAL CITY PURPOSES			
DPW OPERATIONS DIVISION- FLEET SERVICES SECTION			
SALARIES & WAGES			
300.7-16	Auto Maintenance Mechanic	7	\$317,288
300.7-19	Vehicle Service Technician	18	\$803,460
300.9-19	O&M FTE'S	102.00	--
300.10-5	ESTIMATED EMPLOYEE FRINGE BENEFITS	--	\$1,974,669
OPERATING EXPENDITURES			
300.10-21	Vehicle Repair Services	--	\$687,399
370.1-3	FRINGE BENEFIT OFFSET	--	\$-119,845,934

In lieu of the above disapproved item I recommend adoption of the following substitute action:

B. SUBSTITUTE ACTION

<u>BMD-2</u> <u>Page and</u> <u>Line No.</u>	<u>Item Description</u>	<u>2008 Positions</u> <u>or Units</u>	<u>2008 Amount</u>
SECTION I.A.1. BUDGETS FOR GENERAL CITY PURPOSES			
DPW OPERATIONS DIVISION- FLEET SERVICES SECTION			
SALARIES & WAGES			
300.7-16	Auto Maintenance Mechanic	6	\$272,952
300.7-19	Vehicle Service Technician	17	\$760,195
300.9-19	O&M FTE'S	100.00	--
300.10-5	ESTIMATED EMPLOYEE FRINGE BENEFITS	--	\$1,938,753
OPERATING EXPENDITURES			
300.10-21	Vehicle Repair Services	--	\$775,000
370.1-3	FRINGE BENEFIT OFFSET	--	\$-119,810,018

C. COMBINED EFFECT OF ACTIONS A & B ABOVE:

- 1. Budget Effect = \$0
- 2. Levy Effect = \$0
- 3. Rate Effect = \$+0.00