

Reply to Common Council File No. 010466

From DOA-Budget and Management Division

July 26, 2001

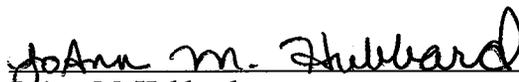
Ref: 01017

Common Council File 01017 is a the Comprehensive Annual Financial Report (CAFR) of the City of Milwaukee (dated December 31, 2000). The CAFR provides information on the financial status of the City of Milwaukee and its internal departments. The following bullet points highlight important information provided by the CAFR:

- Total revenue increased by approximately \$46.5 million or 7.9% between 1999 and 2000.
- General fund property and other tax revenue increased by \$11.7 million due to a property tax increase.
- License and permit revenues increased by \$1.1 million primarily due to building inspection permit fees.
- \$2.4 million of a \$3 million increase in the intergovernmental category was in grants.
- General Fund revenue decreased by \$4.5 million in revenue due to transferring the paramedic program's funds to a grant account in 2000.
- \$.4 million decrease in state shared revenue.
- State payment increased by \$3.2 million because of the computer exemption aid.
- The Department of Public Works increased its building charges and generated \$1.9 million for charges for services.
- City operating cost increased by \$57 million over 1999 are primarily due to the following: labor contract settlements \$38 million, 2000 fall and winter heavy snow and ice removal \$2 million, health care cost increases \$4.8 million.
- The 2000 year end balance in the Tax Stabilization Reserve is \$23.4 million. Approximately \$5.5 million is reserved for use in 2001 and \$17.9 million is available for reductions in future years' tax levies.
- At the end of 2000, the balance in the Public Debt Amortization was \$74 million for use in 2001 compared to \$73.8 on December 31, 1999.

The CAFR does not make any specific suggestions or recommendations on how the City of Milwaukee should proceed with its financial affairs. Nor does the CAFR provide any conclusions on the current financial condition of the City of Milwaukee. The Comptroller's expressed intents (through the CAFR) are to satisfy the City Charter requirement by preparing an annual statement of revenues and expenditures and fulfill the Common Council's request by obtaining an independent examination of the City of Milwaukee's financial activity. The CAFR reports last year's financial activity of the City and its departments. We recommend that the CAFR be place on file as Common Council File # 010117.

RECOMMENDATION: PLACE COMMON COUNCIL FILE 01017 ON FILE.


JoAnn M. Hubbard
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FINANCE: CAFR 12 31 2000