Tom Barrett
Mayor, City of Milwaukee

November 19, 2004

To the Honorable
Common Council of the
City of Milwaukee

Honorable Members of the Common Council:

The 2005 Budget for the City of Milwaukee presented several novel circumstances. The process included direction from three different mayoral administrations. There were significant changes in department directors and a Common Council with six new members took office. In addition to these institutional dynamics, several factors combined made the development of the Proposed 2005 Executive Budget very challenging.

First and foremost, the State's Shared Revenue policy contributed to a structural imbalance between ongoing expenses and revenues of almost $30 million. Second, despite the City's excellent record at controlling spending, expectations for property tax control continue. Finally, my discussions with the public and the Common Council revealed significant concern regarding the potential impact of major service reductions on Milwaukee's quality of life.

Upon taking office in April, I determined that my first Budget should accomplish the following three objectives:

Hold to my promise of a 2005 tax levy that was consistent with the legislature's "freeze" proposal, while avoiding increases to major user charges;

Prioritize City services that have the most positive impact on public safety and neighborhood quality;

Allow for future decisions regarding revenues and expenditures to be made within a context of responsible fiscal planning.

The 2005 Proposed Budget accomplished these objectives. My Budget also sends a strong message to the Governor and State Legislature that Milwaukee spends responsibly and that State Shared Revenue translates into property tax relief.

We can't underestimate the importance of a strong message regarding our ability to control spending and property taxes. Our audience includes not only the Governor and the legislature, but the public as well. In general, I was impressed with the Council's review of the Proposed Budget. I am grateful to Ald. Michael Murphy and the other members of the Finance and Personnel Committee, who conducted the Committee's deliberations with insight and courtesy.

Ultimately however, the Council's budget decisions added approximately $1.7 million to the tax levy-supported portion of the Proposed Budget. In addition, the Council utilized approximately $650,000 of non-property tax revenues and more than $500,000 of additional reserves above what I had proposed.

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Not withstanding the impact of additional revenues and reserve use, the adopted tax levy remains about $743,000 above the levy freeze that I had proposed. I continue to believe that holding the 2005 City Budget to my proposed levy is of great strategic importance to the City in its dealings with State government.

The Council's amendments affect services that are indeed of value to the City. I am concerned, however, that the additional spending challenges our goal of achieving a sustainable balance between revenues and expenditures.

My primary objective in exercising my veto authority is to return the Budget to the tax levy freeze that I proposed. The vetoes and substitute amendments that I am recommending result in a 2005 tax levy of $202,991,343 and maintain support for the service priorities that the Common Council and I share.

I respect the choices that the Common Council made on November 12. The vetoes that I am proposing reflect a spirit of cooperation and my belief in the value of moving forward with a sustainable financial plan. I ask for your support in sustaining these vetoes, and where appropriate, I recommend that you adopt the related substitute actions.

Veto of Items Contained in Common Council Amendment # 3a

To create funding for two Assistant City Attorney positions to serve as Community Prosecutors. One position will be assigned to the North side and one to the South Side.

I am vetoing Common Council Amendment # 3a.

This amendment provides full-year funding for two new positions in the City Attorney's office for community prosecution activities. The entire amount of funding provided is not needed to implement this program in 2005.

The City Attorney's office has indicated that operating procedures need to be established for the program and that the recruitment and hiring process requires between six to ten weeks. It is likely that the recruitment process won't begin until early in 2005.

Therefore, funding for these positions is not needed for pay periods 1-4. Removing funding for the first four pay periods results in a $20,148 reduction to the 2005 Budget, helping us meet my tax levy target without compromising the amendment's program objectives. I have proposed a substitute amendment, which provides for position authority for two Assistant City Attorneys, funded for the remaining pay periods that occur during 2005.

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

Veto of Items Contained in Common Council Amendment # 45

To provide salary funding and FTE's to move the start of the proposed Police Officer recruitment to the third week of August, 2005

I am vetoing Common Council Amendment # 45.

This amendment increases the Milwaukee Police Department's net salary budget by $629,202 in order to accelerate the initiation of the 2005 Police Officer recruitment class from pay period 25, as proposed, to pay period 18.

My Proposed Budget clearly prioritized Police services. This is exemplified in the significant increase in funding that was allocated to the Police Department's requested Budget. In May, the Police Department submitted a Budget that totaled $166,833,408. The final 2005 Proposed Budget includes $185,962,917. This represents an increase of $19,129,509 or 11.5 % more funding than the Police Department's original requested Budget.

In addition, I dedicated an increased share of the Budget to police services—more than 23% of the proposed Budget supported by the tax levy. The department's budget is equivalent to almost 92% of the proposed tax levy. This compares to the 2003 tax levy-supported Budget proportion of 21.4% and the 2003 total levy equivalent of 85.7%.

Under the leadership of Police Chief Nannette Hegerty, the department has assigned thirty-two officers from administrative duties to patrol during 2004, and the Chief has made several other productivity-enhancing organizational changes. For example, the Chief's decision to have police provide verified burglar alarm response is expected to allow the reallocation of police time valued at an estimated $1.2 million. In addition, the creation of a civilian Public Relations position in 2005 allows for the reassignment of supervisory personnel.

I also provided funding in the 2005 Budget for court management software which when implemented has the potential to reduce significantly the amount of overtime that Police Officers spend in Court. Reductions in Court time will allow the Chief to reallocate officers to crime fighting. For example, in 2003 officers spent more than 77,000 hours in Court on paid overtime. That's the equivalent of almost 47 officers, or 70 on a "straight time" basis.

I share the Council's interest in providing as many resources as possible for public safety. Unfortunately, the funding required to implement this change is a major factor in the adopted budget being above the tax levy target that I believe is essential. Based on the above reasons, I ask that you sustain my veto and adopt my proposed substitute amendment.

Veto of Items Contained in Common Council Amendment # 46a

To create a $95,000 Special Purpose Account to fund Milwaukee Alliance Community Prosecution activities in the second police district.

Common Council Amendment # 46a creates a $95,000 Special Purpose Account to fund Milwaukee Alliance Community Prosecution activities in the second police district.

The amendment proposes funding for Milwaukee County District Attorney efforts. In general, I believe it is inappropriate to use tax levy-supported funding to support positions that are another government's funding responsibility. The amendment is also problematic in that it provides tax levy support on behalf of a specific organization, in the absence of any competitive process.

Based on these reasons, I ask that you sustain my veto.

In closing, I would like to reiterate my appreciation of all your hard work during the 2005 budget process, and I ask that you sustain all of my vetoes.

Sincerely,

Tom Barrett
Mayor

CITY ATTORNEY
AMENDMENT #3A

A. DISAPPROVAL ACTION

The Mayor disapproved of the following budget line(s) in the 2005 Budget: (which were affected by Common Council Amendment #3A which added position authority, funding, and FTE's to create 2 assistant city attorney positions to serve as community prosecutors, one for the north side and one for the south side).

BMD-2 Page and Line No.	Item Description	2005 Positions or Units	2005 Amount
	SECTION I.A.1. BUDGETS FOR GENERAL CITY PURPOSES		
	CITY ATTORNEY		
130.1-12	Asst. City Attorney (A)(Y)	30	$2,630,130
130.2-25	O&M FTE'S	57.9	--
130.3-9	ESTIMATED EMPLOYEE FRINGE BENEFITS	--	$1,522,101
380.1-3	FRINGE BENEFIT OFFSET	--	$-95,244,012

In lieu of the above disapproved item, the Mayor recommends adoption of the following substitute action: (to provide funding for two assistant city attorneys to serve as community prosecutors, one on the north side and one on the south side, for 23 of 27 pay periods in 2005. This is intended to allow 2 months in the 2005 fiscal year for recruitment for these positions.)

B. SUBSTITUTE ACTION

BMD-2 Page and Line No.	Item Description	2005 Positions or Units	2005 Amount
	SECTION I.A.1. BUDGETS FOR GENERAL CITY PURPOSES		
	CITY ATTORNEY		
130.1-12	Asst. City Attorney (A)(Y)	30	$2,609,982
130.2-25	O&M FTE'S	57.56	--
130.3-9	ESTIMATED EMPLOYEE FRINGE BENEFITS	--	$1,514,848
380.1-3	FRINGE BENEFIT OFFSET	--	$-95,236,759

C. COMBINED EFFECT OF ACTIONS A & B ABOVE:

1.	Budget Effect	=	$-20,148
2.	Levy Effect	=	$-20,148
3.	Rate Effect	=	$-0.001

POLICE DEPARTMENT
AMENDMENT #45

A. DISAPPROVAL ACTION

The Mayor disapproves of the following budget line(s) in the 2005 budget: (whose practical impact was affected by Common Council Amendment #45 which provides salary funding and O&M FTE's to move up the Police Officer Recruit Class so that it starts in August, 2005).

BMD-2 Page and Line No.	Item Description	2005 Positions or Units	2005 Amount
	SECTION I.A.1. BUDGETS FOR GENERAL CITY PURPOSES		
	POLICE DEPARTMENT		
	ADMINISTRATION/SERVICES DECISION UNIT		
260.13-5	Other	--	$1,568,981
260.13-15	O&M FTE'S	665.24	--
260.14-14	ESTIMATED EMPLOYEE FRINGE BENEFITS	--	$8,301,909
380.1-3	FRINGE BENEFIT OFFSET	--	$-95,373,389

In lieu of the above disapproved item, the Mayor recommends adoption of the following substitute action:

B. SUBSTITUTE ACTION

BMD-2 Page and Line No.	Item Description	2005 Positions or Units	2005 Amount
	SECTION I.A.1. BUDGETS FOR GENERAL CITY PURPOSES		
	POLICE DEPARTMENT		
	ADMINISTRATION/SERVICES DECISION UNIT		
260.13-5	Other	--	$939,779
260.13-15	O&M FTE'S	647.47	--
260.14-14	ESTIMATED EMPLOYEE FRINGE BENEFITS	--	$8,125,732
380.1-3	FRINGE BENEFIT OFFSET	--	$-95,197,212

C. COMBINED EFFECT OF ACTIONS A & B ABOVE:

1.	Budget Effect	=	$-629,202
2.	Levy Effect	=	$-629,202
3.	Rate Effect	=	$-0.029

SPECIAL PURPOSE ACCOUNTS
AMENDMENT #46A

A. DISAPPROVAL ACTION

The Mayor disapproves of the following budget line(s) in the 2005 budget: (which were affected by Common Council Amendment #46A which provides funding and creates a Special Purpose Account for Milwaukee Alliance Community Prosecution activities in the second police district).

BMD-2 Page and Line No.	Item Description	2005 Positions or Units	2005 Amount
	SECTION I.A.1. BUDGETS FOR GENERAL CITY PURPOSES		
	SPECIAL PURPOSE ACCOUNTS-MISCELLANEOUS		
320.7-16	Milwaukee Alliance for Community Prosecution (O)	--	$95,000
	(O) Funds to be released upon Common Council approval of contract with Milwaukee Alliance for Community Prosecution		

In lieu of the above disapproved item, the Mayor recommends adoption of the following substitute action:

B. SUBSTITUTE ACTION

NONE

C. COMBINED EFFECT OF ACTIONS A & B ABOVE:

1. Budget Effect = $-95,000
2. Levy Effect = $-95,000
3. Rate Effect = $-0.004