

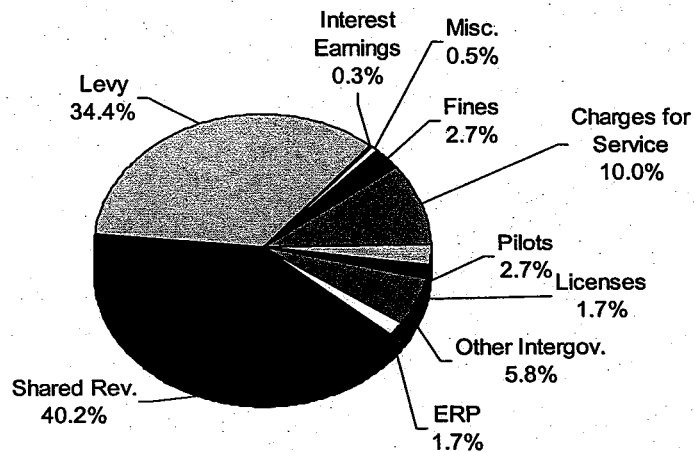
2004 Proposed Executive Budget Charting the Course for Continued Success

Mayor John O. Norquist

Challenges Facing the City

- Fiscal Relationship with State and Local Governments has changed.
- Despite past successes, Milwaukee CANNOT afford its current operations with its current revenue stream.
- Milwaukee MUST evaluate service levels, create efficiencies, and implement alternative service delivery approaches.

2004 Proposed Budget Sources of Revenue (Excluding Borrowing Authorization)



2004 Proposed Executive Budget

John O. Norquist, Mayor

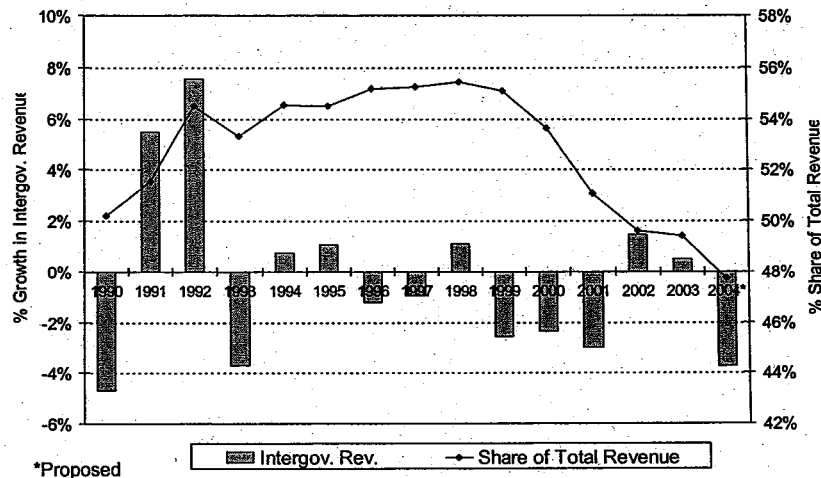
Intergovernmental Revenues

- Approximately 50% of the City's General City Purpose Revenues are Intergovernmental Revenues.
- State Shared Revenue was frozen from 1995 to 2001.
- 2002-2003 State Budget increased payments to cities by 1%.
- 2003-2005 State Budget cut program by \$50 million.
- The City of Milwaukee's share of this reduction was \$9.8 million.

2004 Proposed Executive Budget

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Real Growth in Intergovernmental Revenues 1990 to 2004



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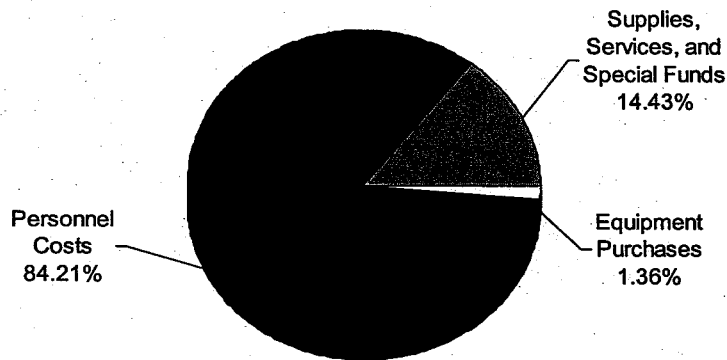
Structural Issues Facing the City

- Expenditures
 - Salaries and Wages are more than 80% of the budget
 - Salary settlements continue to exceed inflation
 - Health Care related costs continue to rise
- Revenues
 - Decline in State Shared Revenues
 - Revenues are not projected to grow at the same rate as expenses

2004 Proposed Executive Budget

John O. Norquist, Mayor

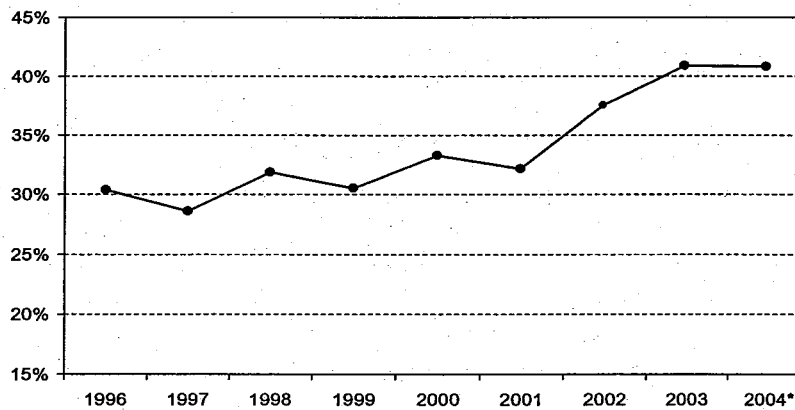
2004 Proposed Budget for General City Purposes by Category



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Health Care Costs as a Percent of the Property Tax Levy

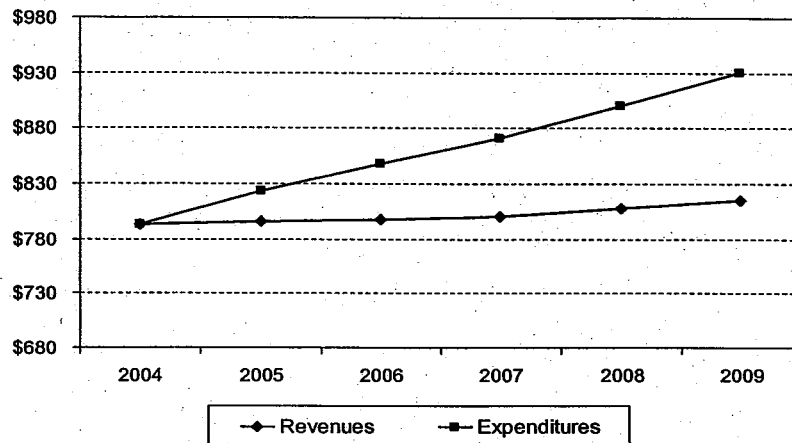


* Proposed

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John O. Norquist, Mayor

Projected Revenues and Expenses 2004 – 2009 (in millions)



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John O. Norquist, Mayor

Charting the Course for Continued Success

**Reduce the Size &
Cost of Government**

**Maintain Sound &
Balanced Fiscal
Policies**

**Property Tax
Levy Freeze**

Maintain Infrastructure

**Encourage
Economic Growth
& Development**

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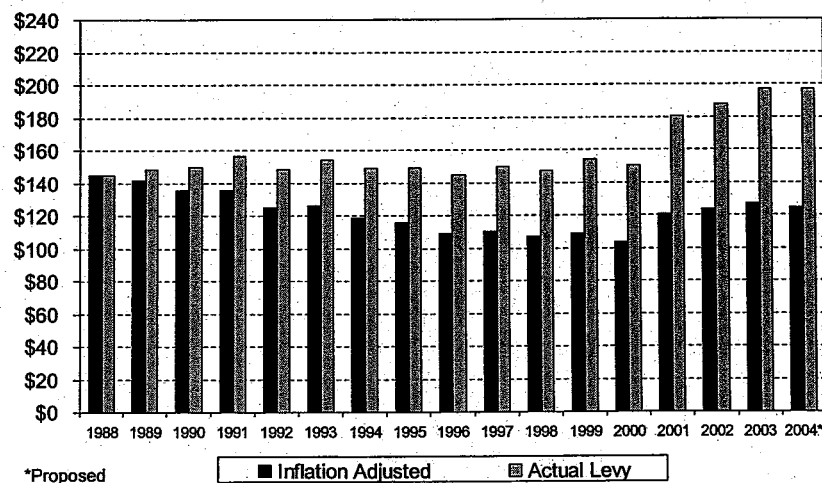
2004 Proposed Budget

- Tax Levy of \$197.0 million, equal to the 2003 tax levy and 13.9% lower in inflation adjusted terms than the 1988 tax levy.
- Tax Rate of \$9.62, a decline of \$0.53 from 2003 rate of \$10.15. This is the City's lowest tax rate since 1945.
- 0.85% Budget Growth for Tax Levy Supported City Purposes
- Continue Qualification for Expenditure Restraint Program
- Position Reduction of 933 (643 excluding temporary positions)

2004 Proposed Executive Budget

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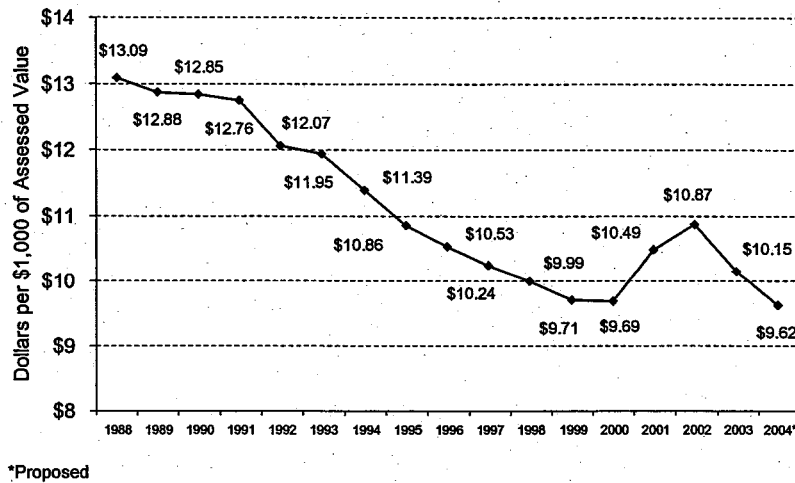
Property Tax Levies 1988 to 2004 Proposed (in millions)



2004 Proposed Executive Budget

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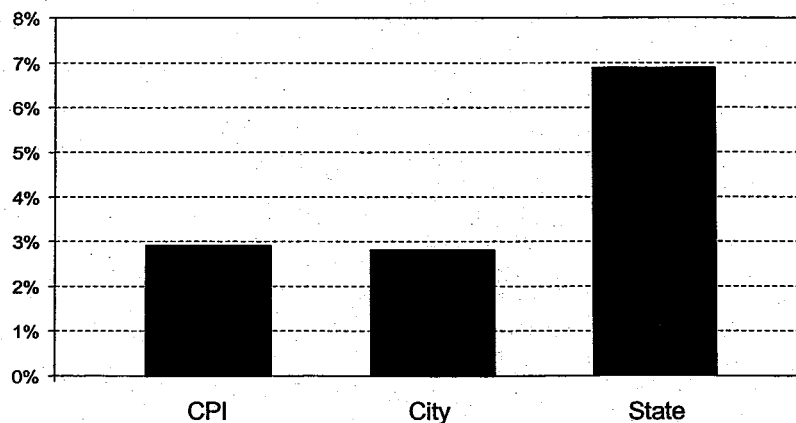
Property Tax Rates 1988 to 2004 Proposed



2004 Proposed Executive Budget

John O. Norquist, Mayor

Comparison of Growth in State General Fund Budget* to the City Budget and CPI 1988 to 2004

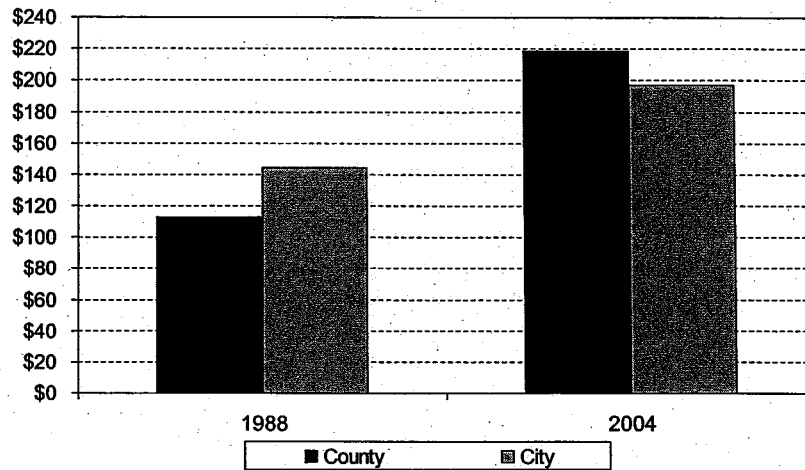


*Does not include School Aids or Shared Revenue.

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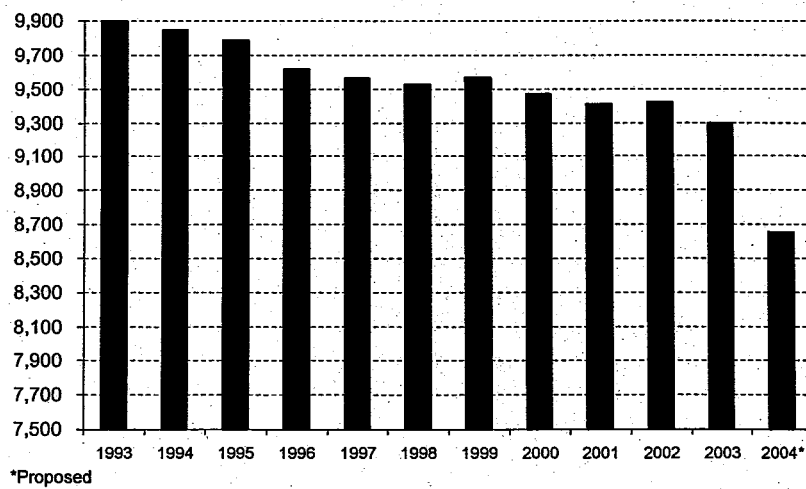
City versus County Levies 1988-2004 (in millions)



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City of Milwaukee Authorized Positions



2004 Proposed Executive Budget

John O. Norquist, Mayor

Sound Fiscal Policies

- Use of TSF reserves is consistent with policy of maintaining a reserve balance of at least 5% of the average General Fund expenditures.
 - 2004 regenerated TSF balance expected near \$30 million.
- PDAF withdrawal of \$4 million is \$1 million less than 2003 withdrawal.
- Provides \$3 million for the Employers' Reserve Fund, same as 2003 funding level. This funding is necessary to stabilize future taxpayer support for retirement benefits.

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No Major Fee Increases

- No increase to Solid Waste Fee - \$75 per year
- No increase to Snow & Ice Control Fee - \$0.2736 per foot of front footage
- No increase to Sewer Maintenance Fee - \$1.1094 per ccf
- No increase to Water Rate - \$1.18 per ccf

2004 Proposed Executive Budget

John O. Norquist, Mayor

2004 Proposed Executive Budget Highlights

Improve Library Services through Technology

- Transform Atkinson Library into a technology resource facility
- Explore coordination with MPS to increase technology use by students
- Continue the Bookmobile Program

Use Technology to Improve Customer Service

- Continue e-government initiatives
- Implement on-line permit system
- Install kiosks to sell and disburse parking permits and accept payments for parking citations

Focus on Economic Development

- Provide \$19 million for Tax Incremental Districts
- Provide \$14.2 million for West Canal Street Reconstruction and Extension

Improve Efficiency of City Administration

- Consolidate Department of Administration divisions and operations
- Reorganize City Attorney staff
- Reorganize Assessor's Office staff

2004 Proposed Executive Budget

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2004 Proposed Executive Budget Highlights

Improve Fire Fighting and Emergency Medical Services

- Implement "Sleep Safely" program
- Enter into a new Paramedic contract with Milwaukee County
- Increase the number of MFD paramedic ambulances by one
- Standardize staffing levels on non-special teams engine companies.

Strengthen Public Safety through Technology

- Purchase and installation of thermal imaging cameras on fire fighting apparatus
- Complete implementation of Computer Aided Dispatch and Records Management Systems
- Provide funding to upgrade and enhance the city's radio infrastructure.

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2004 Proposed Budget Meets the Challenge

- Fiscally Responsible
- Balanced Budget
- Maintains the city's commitment to public safety
- Maintains core services
- No accounting tricks or gimmicks
- No cost shifting to future taxpayers

2004 Proposed Executive Budget

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Milwaukee's Course for Continued Success

- 2004 Budget requires critical decisions
 - Taxes
 - Spending
 - Services
- 2004 Budget will set the tone for years to come and will help to determine Milwaukee's future
- We must work together to meet the challenge of charting a course for Milwaukee's continued success

2004 Proposed Executive Budget

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