



MAYOR CAVALIER JOHNSON
CITY OF MILWAUKEE

November 19, 2024

The Honorable Members of the Common Council
City of Milwaukee
City Hall, Room 205
200 East Wells Street
Milwaukee, Wisconsin

Members for the Council:

As we near the conclusion of the 2025 budget process, it is important to note the Milwaukee Common Council and I largely agree on the fiscal plan for the coming year. A vast majority of the outlined expenditures include priorities and obligations we jointly approve.

However, based upon strongly held principles, I am vetoing, in whole or in part, two amendments that the Council forwarded to my desk. I believe borrowing ought to be reasonable, justifiable, and sustainable. I believe all city departments should share the budgetary limitations on staffing and expenditures. And, I believe knowingly underfunding any budget category, with the intention of using contingent borrowing to fill an inevitable shortfall, is a mistake.

I am vetoing Council amendment 40B, which added \$4-million in general obligation borrowing. Council members were divided on whether this amendment ought to be included in the budget. While I agree with the need to improve our roadways, this borrowing exceeds my tolerance for pushing current expenditures into the future. We are investing significant taxpayer resources into street improvements, and I do not believe it is necessary to borrow millions of dollars more on this effort.

I am also vetoing parts of Amendment 1F. I am particularly concerned with the Council's action to reduce the funding in the Damages and Claims account. It is inevitable the city will be required to settle some claims and lawsuits. My proposed budget included conservative estimates of necessary funds for that purpose. Council amendment 1F removes \$600-thousand from this account.

It is remarkable that on the very day the Council voted to transfer \$3.437 million from the contingent fund to the Damages & Claims fund in order to pay for settlements and judgements now expected to exceed \$5 million in total for 2024, it subsequently reduced the Damages and Claims account for 2025 to \$1.9 million, a funding level that is below the actual experienced expenditures in every year for the past decade. Because of this reduction, in order to have sufficient money available in 2025 to meet our legal obligations, a predictable consequence will be increased and earlier use of our annual contingent fund for these expenses, and then likely contingent borrowing once that runs out. This Council action is really a backdoor method to increase our borrowing next year in lieu of allocating appropriate operational monies.

Because Council amendment 1F does include some worthy expenditures that I share in supporting, so my budget vetoes target two specific item expenditures within the omnibus amendment.

I find it unjust for the Council to restore funding to its own department when, throughout city government, we require all other departments to accept belt tightening. The restoration of hundreds-of-thousands of dollars to its own operational budget is an affront to other city departments and city employees who must live within reasonable budgetary constraints. My vetoes include a reduction of \$370-thousand in the money the Council added to its own accounts.

I am additionally including a modest cut to the High Impact Paving portion of the omnibus amendment in order to make the Damages and Claims fund whole.

Your esteemed body controls millions of undesignated dollars in the Council-Led Transfer Fund Special Purpose Account, and that money could be designated for purposes the members deem appropriate, including those items I am vetoing, without an increase in borrowing.

I ask that the Council sustain these vetoes to responsibly finalize the city's 2025 budget.

Sincerely,

A handwritten signature in black ink, appearing to read "Cavalier Johnson", with a long, sweeping flourish extending to the right.

Cavalier Johnson
Mayor

**COMMON COUNCIL – CITY CLERK, SPECIAL PURPOSES ACCOUNTS -
MISCELLANEOUS, CAPITAL BUDGET, AMENDMENT 1F**

A. DISAPPROVAL ACTION

The Mayor disapproves of the following budget line(s) in the 2025 budget: (which were affected by Common Council Amendment #1 which added funding to various accounts under the control of the Common Council – City Clerk and increased funding High Impact Street Projects by reducing the Damages and Claims Special Purpose Account):

<u>BMD-2</u>		<u>2025 Positions</u>	
<u>Page and</u>	<u>Item Description</u>	<u>or Units</u>	<u>2025 Amount</u>
<u>Line No.</u>			
	SECTION I.A.1. BUDGETS FOR GENERAL CITY PURPOSES		
	COMMON COUNCIL-CITY CLERK		
160.5-1	Legislative Fiscal Analyst-Lead	6	\$484,035
160.6-1	O&M FTE’S	105.20	--
160.7-2	Estimated Fringe Benefits	--	\$3,271,716
160.7-6	General Office Expense	--	\$239,016
160.7-15	Information Technology Services	--	\$350,538
160.7-19	Other Operating Services	--	\$481,873
160.8-11	Sony PXW Z280 4K HDR Video Camera	--	\$6,950
160.8-12	Muni. ID printer	--	\$5,000
160.9-3	Hip-Hop Week MKE Fund*	--	\$50,000
160.9-4	Community Collaborative Commission Initiatives*	--	\$90,300
	SPECIAL PURPOSE ACCOUNTS- MISCELLANEOUS		
	Damages and Claims Fund		
340.2-2	Economic Development Committee Fund	--	\$1,900,000
340.2-8	MKE Community Excellence Fund	--	\$20,000
340.3-15	Fringe Benefit Offset	--	\$70,000
390.1-2		--	-\$223,561,193
	SECTION I.C.1. BUDGETS FOR CAPITAL IMPROVEMENTS		
	DPW-INFRASTRUCTURE SERVICES DIVISION		
	B.2. STREETS – HIGH IMPACT PROGRAM	--	\$2,000,000
	Cash Levy		

460.29-1

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

B. SUBSTITUTE ACTION

BMD-2 Page and Line No.	<u>Item Description</u>	<u>2025 Positions or Units</u>	<u>2025 Amount</u>
	SECTION I.A.1. BUDGETS FOR GENERAL CITY PURPOSES		
	COMMON COUNCIL-CITY CLERK		
160.5-1	Legislative Fiscal Analyst-Lead	5	\$404,156
160.6-1	O&M FTE'S	104.20	--
160.7-2	Estimated Fringe Benefits	--	\$3,235,771
160.7-6	General Office Expense	--	\$217,000
160.7-15	Information Technology Services	--	\$259,153
160.7-19	Other Operating Services	--	\$436,248
160.9-3	Hip-Hop Week MKE Fund*	--	\$20,000
160.9-4	Community Collaborative Commission Initiatives*	--	\$40,300
	SPECIAL PURPOSE ACCOUNTS- MISCELLANEOUS		
	Damages and Claims Fund		
340.2-2		--	\$2,500,000
	MKE Community Excellence Fund		
340.3-15		--	\$50,000
	Fringe Benefit Offset		
390.1-2		--	-\$223,525,248
	SECTION I.C.1. BUDGETS FOR CAPITAL IMPROVEMENTS		
	DPW-INFRASTRUCTURE SERVICES DIVISION		
	B.2. STREETS – HIGH IMPACT PROGRAM		
	Cash Levy		
460.29-1		--	\$1,770,855

C. COMBINED EFFECT OF ACTIONS A & B ABOVE:

1.	Budget Effect	=	\$0
2.	Levy Effect	=	\$0
3.	Rate Effect	=	\$0.000

**CAPITAL IMPROVEMENTS, CITY DEBT, BORROWING AUTHORIZATIONS,
AMENDMENT 40B**

B. DISAPPROVAL ACTION

The Mayor disapproves of the following budget line(s) in the 2025 budget: (which were affected by Common Council Amendment 40B which added \$4,000,000 in general obligation borrowing for High Impact Street Projects):

BMD-2 Page and Line No.	<u>Item Description</u>	<u>2025 Positions or Units</u>	<u>2025 Amount</u>
	SECTION I.C.1. BUDGETS FOR CAPITAL IMPROVEMENTS		
	DPW-INFRASTRUCTURE SERVICES DIVISION		
	B.2. STREETS – HIGH IMPACT PROGRAM		
460.28-26	New Borrowing	--	\$10,000,000
	SECTION I.C.2. SOURCES OF FUNDS FOR CAPITAL IMPROVEMENTS BUDGET		
460.40-12	New Authorizations – City Share	--	\$119,950,826
	SECTION I.D.1 BUDGET FOR CITY DEBT		
470.1-8	Bonded Debt (Interest – expense)	--	\$48,808,247
	SECTION II. BORROWING AUTHORIZATIONS		
	C. Public Improvements		
580.1	8. Street Improvements and construction	--	\$61,690,000

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

C. SUBSTITUTE ACTION

BMD-2 Page and Line No.	<u>Item Description</u>	<u>2025 Positions or Units</u>	<u>2025 Amount</u>
	SECTION I.C.1. BUDGETS FOR CAPITAL IMPROVEMENTS		
	DPW-INFRASTRUCTURE SERVICES DIVISION		
	B.2. STREETS – HIGH IMPACT PROGRAM		
460.28-26	New Borrowing	--	\$6,000,000
	SECTION I.C.2. SOURCES OF FUNDS FOR CAPITAL IMPROVEMENTS BUDGET		
460.40-12	New Authorizations – City Share	--	\$115,950,826
	SECTION I.D.1 BUDGET FOR CITY DEBT		
470.1-8	Bonded Debt (Interest – expense)	--	\$48,708,247
	SECTION II. BORROWING AUTHORIZATIONS		
	B. Public Improvements		
580.1	8. Street Improvements and construction	--	\$57,690,000

D. COMBINED EFFECT OF ACTIONS A & B ABOVE:

4.	Budget Effect	=	-\$4,100,000
5.	Levy Effect	=	-\$100,000
6.	Rate Effect	=	-\$0.003