

FREDRICK G. GORDON
ALDERMAN, 7TH DISTRICT



CITY HALL
MILWAUKEE, WISCONSIN

CHAIRMAN:
FINANCE & PERSONNEL COMMITTEE

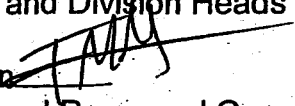
VICE CHAIRMAN:
STEERING & RULES COMMITTEE

MEMBER:
JUDICIARY & LEGISLATION COMMITTEE
WISCONSIN CENTER DISTRICT BOARD
REDEVELOPMENT AUTHORITY
PRIVATE INDUSTRY COUNCIL
LIBRARY BOARD

MEMORADUM

Date: May 7, 2001

To: All City Department and Division Heads

From: Ald. Fredrick Gordon 
Chairman, Finance and Personnel Committee

Re: Proposed 2001 Budget Reductions

Please be advised of the following:

At the Finance and Personnel Committee meeting of May 2, 2001, Common Council File Number 001659, a resolution pertaining to departmental 2001 budget reduction and revenue adjustment plans, was *held to the call of the chair*. File Number 001660, an ordinance relating to adjustment of various fees and forfeitures during the 2001 budget year, was also *held to the call of the chair*.

In addition, the committee approved a motion by Ald. Suzanne Breier, vice chair, that a letter be sent from the Finance and Personnel Committee to all City departments directing that the reductions in service levels as proposed in Resolution File Number 001659 are not to be implemented until the Finance Committee and the Common Council take further action on this file.

Thank you for your cooperation in this matter.

cc: Mayor Norquist
Michael Soika
Jennifer Meyer
Cassandra Patterson
Marianne Walsh

fgg.filehold.doc
FGG:csp



Reply to Common Council File No. 001659

From DOA-Budget and Management Division

April 30, 2001

Ref: 01044

Common Council File 001659 is a substitute resolution communicating the 2001 Budget reduction and revenue adjustments planned by City departments as directed by the Mayor.

The City faced extreme financial pressures during fiscal year 2000, including health care cost increases of 12%, salary arbitration awards exceeding inflationary levels, and significant expenses for the snow and ice control program. This resulted in an operating shortfall of approximately \$9 million. Because State Statutes prevent the City of Milwaukee from transferring between departments with surplus funds and departments with account shortfalls, the City will have to borrow additional funds to close fiscal year 2000 books.

The City needs to continue to develop long-term financing and budget control strategies to control the growth of property taxes. This file contains planned adjustments for 2001 and identifies areas for additional study. Areas of additional study include:

- Working creatively with other Milwaukee County taxing jurisdictions to reduce employee health care costs;
- Pursuing intergovernmental cooperation agreements for city services;
- Developing cost reduction and efficiency initiatives in the city's value-adding programs and operations;
- Identifying for elimination non value-adding city programs and operations; and
- Exploring new revenue options and alternatives for financing city services.

Spending reductions and revenue adjustments for 2001 are detailed in the File and include:

- reductions in miscellaneous operating expenses among various City departments;
- increases in existing revenues and creation of new revenues; and
- changes in service levels, including Library hours, boulevard maintenance, street sweeping, street lighting, and Fleet equipment purchases.

These spending reductions and revenue adjustments will help the City improve its financial position by building reserves and committing to rapid repayment of borrowing costs. They should result in unspent appropriations of approximately \$3.8 million and increased revenues of approximately \$1.5 million in 2001. These additional monies will revert to the Tax Stabilization Fund, in accordance with Section 304-29-3, Milwaukee Code of Ordinances.

RECOMMENDATION: APPROVE FILE 001659.

Eric C. Pearson

Eric C. Pearson

Budget and Management Team Leader *[Signature]*

ECP:

FINANCE:001659srsb.doc

..Number
001659
..Version
SUBSTITUTE 2
..Reference

..Sponsor
THE CHAIR

..Title

Substitute resolution authorizing 2001 budget year departmental reductions, the nonexpenditure of funds authorized by the 2001 budget.

..Analysis

This resolution, pursuant to statutory and city charter provisions, directs 2001 budget year reductions-the nonexpenditure of funds-relating to funds assigned to city departments which have not yet been expended.

..Body

Whereas, The City faced extreme financial pressures during fiscal year 2000, including health care cost increases of 12%, salary arbitration awards exceeding inflationary levels, and significant expenses for public works snow and ice control programs; and

Whereas, These financial pressures created an approximate \$9 million shortfall in some city accounts, which amount to less than 1% of the city's total budget; and

Whereas, The City will have to borrow additional funds to close fiscal year 2000 books because Wisconsin State Statutes prevent the City of Milwaukee from transferring between departments with surplus funds and departments with account shortfalls; and

Whereas, Milwaukee must continue to plan and address its financial challenges despite state budget law restrictions and the seven-year freeze of state shared revenue, estimated to have reduced City revenue by approximately \$37 million since 1995; and

Whereas, The City must continue to develop long-term financing and budget control strategies to control the growth of property taxes, including:

1. Working creatively with other Milwaukee County taxing jurisdictions to reduce employee health care costs.
2. Pursuing intergovernmental cooperation agreements for city services.
3. Developing cost reduction and efficiency initiatives in the city's value-adding programs and operations.

4. Identifying for elimination non value-adding city programs and operations.

5. Exploring new revenue options and alternatives for financing city services.
; and

Whereas, The Mayor directed city departments to prepare short-term spending reduction and revenue adjustment plans for 2001; and

Whereas, These plans are designed to help the City improve its financial position by building reserves in part through reversion of funds to the tax stabilization fund pursuant to s.304-29 of the Milwaukee Code, and committing to rapid repayment of borrowing costs; and

Whereas, Furthermore, authorization for 2001 city budget year reductions - the nonexpenditure of funds authorized by the 2001 budget adopted by the Common Council and approved by the Mayor - stems from statutory and charter provisions relating to funds assigned to city departments which have not yet been expended; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that pursuant to s.65.05, Wis. Stats., and s. 18-06, city charter, that 2001 city budget year reductions - the nonexpenditure of funds authorized by the 2001 budget - are authorized as enumerated in Exhibit A which is attached to the file.

..Requestor

..Drafter

01164-2

BJZ/cac

4/25/2001

CITY OF MILWAUKEE FISCAL NOTE

A) DATE April 30, 2001

FILE NUMBER: 001659

Original Fiscal Note Substitute

SUBJECT: Adjustment to 2001 appropriation and revenue accounts

B) SUBMITTED BY (Name/title/dept./ext.): Eric Pearson, Budget & Management Team Leader, DOA-Budget & Management, x8554

C) CHECK ONE: ADOPTION OF THIS FILE AUTHORIZES EXPENDITURES
 ADOPTION OF THIS FILE DOES NOT AUTHORIZE EXPENDITURES; FURTHER COMMON COUNCIL ACTION NEEDED. LIST ANTICIPATED COSTS IN SECTION G BELOW.
 NOT APPLICABLE/NO FISCAL IMPACT.

D) CHARGE TO: DEPARTMENT ACCOUNT(DA) CONTINGENT FUND (CF)
 CAPITAL PROJECTS FUND (CPF) SPECIAL PURPOSE ACCOUNTS (SPA)
 PERM. IMPROVEMENT FUNDS (PIF) GRANT & AID ACCOUNTS (G & AA)
 OTHER (SPECIFY)

E) PURPOSE	SPECIFY TYPE/USE	ACCOUNT	EXPENDITURE	REVENUE	SAVINGS
SALARIES/WAGES:	Various departments		(1,058,543)		1,058,543
OPERATING EXPENSES:	Various departments		(1,031,181)		1,031,181
EQUIPMENT:	Various departments		(1,660,510)		1,660,510
OTHER:	Various revenue accounts			1,515,178	1,515,178
TOTALS			(3,750,234)	1,515,178	5,265,412

F) FOR EXPENDITURES AND REVENUES WHICH WILL OCCUR ON AN ANNUAL BASIS OVER SEVERAL YEARS CHECK THE APPROPRIATE BOX BELOW AND THEN LIST EACH ITEM AND DOLLAR AMOUNT SEPARATELY.

<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS

G) LIST ANY ANTICIPATED FUTURE COSTS THIS PROJECT WILL REQUIRE FOR COMPLETION:

H) COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:
 Estimates provided by departments and reviewed by Budget staff.

EASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE

This is an estimate of the adjustments in 2001 revenue and appropriation accounts for various City departments planned to reduce expenses and increase revenue in 2001 in order to offset the debt service costs of contingent borrowing for 2000 expenses.



Department of Administration
Budget and Management Division

John O. Norquist
Mayor

David Riemer
Administration Director

Laura J. Engan
Budget and Management Director

April 30, 2001

Ref: 01044

Common Council
City of Milwaukee

Subject: Revised 2001 Budget Adjustments

Dear Honorable Members:

Attached is a revision of the proposed 2001 Budget Adjustments for Common Council File 001659. This revision reflects changes made to the proposed budget adjustments following discussions with the Chair and Vice-Chair of the Finance and Personnel Committee. Please include this revision in the File as a substitute to the original. A revised Fiscal Note and Speed Reply are also attached.

Respectfully submitted,

Laura J. Engan
Budget and Management Director

ECP:dmr
Attachments

ResLetter2.doc

2001 Budget Adjustments: Changes to Adopted Budget

DEPARTMENT	APPROPRIATION CHANGE	REVENUE CHANGE
Administration, Dept. of	\$ (142,803)	\$ 139,585
Assessor's Office	\$ (26,766)	\$ -
City Attorney	\$ (35,633)	\$ -
City Development, Dept. of	\$ (78,656)	\$ -
City Comptroller	\$ (28,000)	\$ -
Election Commission	\$ (34,101)	\$ -
Employee Relations, Dept. of	\$ (45,982)	\$ -
Fire and Police Commission	\$ (22,923)	\$ -
Fire Department	\$ -	\$ 150,000
Health Department	\$ (123,917)	\$ 75,000
Library	\$ (677,000)	\$ 163,943
Mayor's Office	\$ (35,000)	\$ -
Neighborhood Services, Dept. of	\$ (46,200)	\$ 138,650
<i>Public Works, Dept. of</i>	<i>\$ (2,425,081)</i>	<i>\$ 848,000</i>
DPW-Buildings & Fleet Division	\$ (1,736,581)	\$ -
DPW-Forestry Division	\$ (275,500)	\$ 75,000
DPW-Infrastructure Division	\$ (243,000)	\$ -
DPW-Parking	\$ -	\$ 630,000
DPW-Solid Waste	\$ (170,000)	\$ 143,000 *
Treasurer's Office	\$ (28,172)	\$ -
TOTAL	\$ (3,750,234)	\$ 1,515,178

* This revenue change does not reflect the reduction of Solid Waste Fund revenues of \$170,000. This change of \$170,000 reflects the reduction of the City Contribution - Solid Waste Fund, which are levy supported funds.

2001 Budget Adjustments: Changes to Adopted Budget

Department: DEPARTMENT OF ADMINISTRATION

Description of Change:

- Reduce Equipment purchases by \$24,900 (Reduction of 22.68%)
 - ITMD – Reduce workstation purchases by \$20,000
 - BMD – Reduce computer purchases by \$2,000
 - BOD – Delay purchase of shrink wrapper, \$2,900

- Reduce Operating Expenditures by \$117,903 (Reduction of 8.0%)
 - ITMD – Reduce expenditures by \$80,000
 - BMD – Reduce expenditures by \$6,675
 - Admin – Reduce expenditures by \$6,545
 - IRD – Reduce expenditures by \$5,680
 - BOD – Reduce expenditures by \$19,003

- Antenna Lease Revenues - \$136,340

These revenues were not submitted for recognition in the 2001 budget, but are being generated by the department. To date \$64,140 has been generated in 2001, DOA projects another \$72,200 in additional revenue by the end of the year from current leases. DOA anticipates that more money will actually be generated than this amount.

- Bid Appeal Revenue - \$3,245

This is an estimate on what revenue might be generated by changing the appeal fee to 1% of the bid versus the current practice of \$76 per appeal. This estimate was determined by taking 1% of the bid for all appeals since 1996 and then determining a yearly average. The estimated revenue for the \$76 appeal per is currently set at \$200 in 2001.

Adjustments to Appropriation Accounts:

Account	Title	2001 Budget	Reduction
0001-1510-006300	OPERATING EXPENDITURES	\$1,480,565	-\$117,903
0001-1510-006800	EQUIPMENT PURCHASES	\$109,800	-\$24,900
	TOTAL		-\$142,803

Adjustments to Revenue Accounts:

Account	Title	2001 Budget	Change
MISCELLANEOUS REVENUES			
0001-1510-009870	DOA – Antenna Leases	\$0	+\$136,340
0001-1510-009830	DOA Property Sales	\$186,000	+\$3,245
	TOTAL		+\$139,585

2001 Budget Adjustments: Changes to Adopted Budget

Department: ASSESSOR

Description of Change:

- Reduction in mailing costs.
- Reduction in inspections and mileage costs.

Adjustments to Appropriation Accounts:

<u>Account</u>	<u>Title</u>	<u>2001 Budget</u>	<u>Reduction</u>
0001-1910-006300	OPERATING EXPENDITURES	\$267,662	<u>-\$26,766</u>
	TOTAL		-<u>\$26,766</u>

2001 Budget Adjustments: Changes to Adopted Budget

Department: CITY ATTORNEY

Description of Change:

- The City Attorney has proposed a target goal of at least a 5% reduction in operating costs. Hopefully, more than a 5% reduction can be achieved.
- In addition, the City Attorney's Office is projecting achieving some savings in their overall equipment account. The City Attorney's 2001 equipment account has line-item appropriations for books, new computers, and office furniture. It is likely that some savings can be achieved in each of these line-item accounts. City Attorney's management will also be closely reviewing expenditures for books with the goal of making some reductions in this account. The exact percentages or amounts for overall reductions in the equipment account can not be determined at this time.
- The City Attorney will also absorb costs that were previously funded through the Special Purpose Account - Seminar Fund (2001 estimated savings -\$9,500).

Adjustments to Appropriation Accounts:

<u>Account</u>	<u>Title</u>	<u>2001 Budget</u>	<u>Reduction</u>
0001-1490-006300	OPERATING EXPENDITURES	\$522,662	-\$26,133
0001-1490-006800	EQUIPMENT PURCHASES	\$200,000	<u>unknown</u>
SPECIAL PURPOSE ACCOUNTS – MISCELLANEOUS			
0001-1310-S167-006300	SEMINAR FUND	\$20,000	-\$9,500
	TOTAL		-\$35,633

2001 Budget Adjustments: Changes to Adopted Budget

Department: DEPARTMENT OF CITY DEVELOPMENT

Description of Change:

- Savings from Brownfield grants - \$36,748.
Use Brownfield grants rather than operating budget to pay for site investigation costs.
- Reduced Data Processing Costs - \$18,841.
Savings from changes in ITMD charges for Cityscape services.
- Reduced Bid for Board-Up Costs - \$13,067
Savings resulting from lower bid than budgeted for Board-up services.
- Reduced Travel and Training Expenses - \$10,000
Savings resulting from reducing training and travel costs.

Adjustments to Appropriation Accounts:

<u>Account</u>	<u>Title</u>	<u>2001 Budget</u>	<u>Reduction</u>
0001-1910-006300	OPERATING EXPENDITURES	\$786,557	<u>-\$78,656</u>
	TOTAL		-<u>\$78,656</u>

2001 Budget Adjustments: Changes to Adopted Budget

Department: CITY COMPTROLLER

Description of Change:

- Reduce Operating Expenditures - \$28,000.

Adjustments to Appropriation Accounts:

<u>Account</u>	<u>Title</u>	<u>2001 Budget</u>	<u>Reduction</u>
0001-2110-006300	OPERATING EXPENDITURES	\$793,027	<u>-\$28,000</u>
	TOTAL		<u>-\$28,000</u>

2001 Budget Adjustments: Changes to Adopted Budget

Department: ELECTION COMMISSION

Description of Change:

- Eliminate use of billboard advertising, saving \$5,000.
- Reduce use of technical consultant by \$5,000.
- Reduce other operating services by \$11,476.
Miscellaneous reductions.
- Eliminate restock of "I Voted" stickers using current surplus of stickers, saving \$2,500.
- Reduce equipment replacement costs by \$10,125.
Will not purchase new computers, but will use recently replaced computers from the City Attorney's Office. Also, will not replace election-site tables and chairs.

Adjustments to Appropriation Accounts:

<u>Account</u>	<u>Title</u>	<u>2001 Budget</u>	<u>Reduction</u>
0001-1700-006300	OPERATING EXPENDITURES	\$260,630	-\$23,976
0001-1700-006800	EQUIPMENT PURCHASES	\$13,388	-\$10,125
	TOTAL		-\$34,101

2001 Budget Adjustments: Changes to Adopted Budget

Department: EMPLOYEE RELATIONS

Description of Change:

- Reduce Equipment purchases by \$15,000 (Reduction of 60%)
Department will reduce expenditures by delaying sigma upgrade.
- Reduce Operating Expenditures by \$30,982 (Reduction of 9.3%)

Some of the ways that the department plans to reduce expenditures in 2001 are:

- Reduce advertising – only advertise in Journal Sentinel & community newspapers
- Purchase only necessary consumables
- Look to use payroll stuffers instead of mailings
- Reduce travel expenses
- Monitor miscellaneous services expenses

Adjustments to Appropriation Accounts:

<u>Account</u>	<u>Title</u>	<u>2001 Budget</u>	<u>Reduction</u>
0001-1650-006300	OPERATING EXPENDITURES	\$334,816	-\$30,982
0001-1650-006800	EQUIPMENT PURCHASES	\$25,000	<u>-\$15,000</u>
	TOTAL		-\$45,982

2001 Budget Adjustments: Changes to Adopted Budget

Department: FIRE AND POLICE COMMISSION

Description of Change:

- Reduce Operating Expenses by \$20,048.
Department will absorb cut through reductions in printing and advertising budget.
- Reduce Equipment purchases by \$2,875.
Delay the purchase of office equipment and one computer.

Adjustments to Appropriation Accounts:

<u>Account</u>	<u>Title</u>	<u>2001 Budget</u>	<u>Reduction</u>
0001-3100-006300	OPERATING EXPENDITURES	\$200,484	-\$20,048
0001-3100-006800	EQUIPMENT PURCHASES	\$5,750	-\$2,875
	TOTAL		-\$22,923

2001 Budget Adjustments: Changes to Adopted Budget

Department: FIRE DEPARTMENT

Description of Change:

- BLS Transport Revenues - \$150,000.
These revenues were not recognized in the 2001 budget, but are being generated by the department.

Adjustments to Revenue Accounts:

<u>Account</u>	<u>Title</u>	<u>2001 Budget</u>	<u>Change</u>
CHARGES FOR SERVICES			
0001-3280-009400	FIRE DEPARTMENT	\$1,300,000	<u>+\$150,000</u>
	TOTAL		<u>+\$150,000</u>

2001 Budget Adjustments: Changes to Adopted Budget

Department: HEALTH DEPARTMENT

Description of Change:

- Reduce Equipment purchases by \$5,000 (33.11% reduction)
- Reduce Operating Expenditures by \$118,917 (6.2% reduction)
- Increase TB dispensary revenues. The 2001 budget recognized \$20,000 in revenues for this purpose. The Health Department now anticipates revenues at \$60,000 for 2001.
- Increase Whole Blood Lead Tests revenues. The 2001 budget recognized \$5,000 in revenues for this purpose. The Health Department now anticipates revenues at \$35,000 for 2001.
- Increase Targeted Case Management for Lead revenues. The 2001 budget did not include these revenues. The Health Department anticipates revenues at \$5,000 for 2001.

Adjustments to Appropriation Accounts:

<u>Account</u>	<u>Title</u>	<u>2001 Budget</u>	<u>Reduction</u>
0001-3810-006300	OPERATING EXPENDITURES	\$1,913,672	-\$118,917
0001-3810-006800	EQUIPMENT PURCHASES	\$15,100	<u>-\$5,000</u>
	TOTAL		-\$123,917

Adjustments to Revenue Accounts:

<u>Account</u>	<u>Title</u>	<u>2001 Budget</u>	<u>Change</u>
0001-3810-941628	TB Dispensary	\$20,000	+\$40,000
0001-3810-941635	Whole Blood Pb Tests	\$5,000	+\$30,000
no account now	Targeted Case Management	\$0	<u>+\$5,000</u>
	TOTAL		+\$75,000

2001 Budget Adjustments: Changes to Adopted Budget

Department: LIBRARY

Description of Change:

- Reduction in Library Hours - \$278,000.
Reduce hours that some libraries are open Monday through Thursday.
- Reduce Operating Expenditures - \$155,000.
Miscellaneous reductions in this account totaling 7.5%.
- Reduce Computer equipment purchases - \$115,000.
A 60% reduction in budgeted computer replacement in 2001.
- Reduce other miscellaneous equipment purchases - \$20,000.
A 32% reduction in non-computer and non-materials equipment budgeted in 2001.
- Replace city book budget funds with contribution funds - \$109,000.
Replace \$109,000 of the levy-funded book and materials budget with contribution funds acquired through settlement of a federal lawsuit against Baker & Taylor.
- Additional revenue from the Milwaukee County Federated Library System - \$130,000
Latest contract with MCFLS increased revenue for Resource and Lease agreements by a net amount of \$130,000.

Adjustments to Appropriation Accounts:

Account	Title	2001 Budget	Reduction
0001-8610-006000	NET SALARIES & WAGES	\$10,988,921	-\$278,000
0001-8610-006300	OPERATING EXPENDITURES	\$2,052,731	-\$155,000
0001-8610-006800	EQUIPMENT PURCHASES	\$2,667,430	-\$244,000
	TOTAL		-\$677,000

Adjustments to Revenue Accounts:

Account	Title	2001 Budget	Change
CHARGES FOR SERVICES			
0001-8610-009400	COUNTY FED SYSTEM	\$1,654,200	+\$163,943
	TOTAL		+\$163,943

2001 Budget Adjustments: Changes to Adopted Budget

Department: MAYOR'S OFFICE

Description of Change:

- Reduce Operating Expenditures - \$5,000.
Miscellaneous reductions in this account totaling 10% of the 2001 appropriation.
- Hold positions vacant - \$30,000
Hold Staff Assistant positions vacant.

Adjustments to Appropriation Accounts:

<u>Account</u>	<u>Title</u>	<u>2001 Budget</u>	<u>Reduction</u>
0001-1110-006000	NET SALARIES & WAGES	\$863,328	-\$30,000
0001-1110-006300	OPERATING EXPENDITURES	\$50,054	-\$5,000
	TOTAL		-\$35,000

2001 Budget Adjustments: Changes to Adopted Budget

Department: DEPARTMENT OF NEIGHBORHOOD SERVICES

Description of Change:

- Reduce Operating Expenditures by \$15,000.
Incorporate cost saving measures in supplies and services.
- Reduce Equipment purchases by \$31,200.
Delay and eliminate the purchase of some computer equipment items.
- Permit Revenues - \$138,650.
Implement a CPI driven increase in the cost of DNS New Construction building permits above the 2001 budget estimates.

Adjustments to Appropriation Accounts:

<u>Account</u>	<u>Title</u>	<u>2001 Budget</u>	<u>Reduction</u>
0001-3600-006300	OPERATING EXPENDITURES	\$1,174,495	-\$15,000
0001-3600-006800	EQUIPMENT PURCHASES	\$134,882	-\$31,200
	TOTAL		-\$46,200

Adjustments to Revenue Accounts:

<u>Account</u>	<u>Title</u>	<u>2001 Budget</u>	<u>Change</u>
LICENSES & PERMITS			
0001-3600-009210	Building	\$1,934,500	+\$138,650
	TOTAL		+\$138,650

2001 Budget Adjustments: Changes to Adopted Budget

Department: DPW - BUILDINGS & FLEET

Description of Change:

- Reduction in Fleet Equipment Purchases.
- 15% reduction in Custodial Services – eliminate 2 Custodial Workers (2 currently vacant), also reducing custodial contracts.
- 10% reduction in O&M Painting – eliminate 1 Painter position (vacant).
- 5% reduction in Electrical Maintenance – eliminate 1 Electrical Mechanic position (vacant).
- Reduction in heating and air conditioning in City Hall Complex.
- Elimination in equipment purchases in Facilities – 1 Tracker Propane Stripper, 2 Motorized Lifts, 2 Carpet Extractors, and 13 Vacuums.

Adjustments to Appropriation Accounts:

<u>Account</u>	<u>Title</u>	<u>2001 Budget</u>	<u>Reduction</u>
0001-5450- 006000	NET SALARIES & WAGES	\$15,663,526	-\$137,895
0001-5450- 006300	OPERATING EXPENDITURES	\$10,112,336	-\$70,000
0001-5450- 006800	EQUIPMENT PURCHASES	\$3,528,055	<u>-\$1,043,910</u>
	TOTAL		-\$1,251,805

2001 Budget Adjustments: Changes to Adopted Budget

Department: DPW – FORESTRY DIVISION

Description of Change:

Reduction in boulevard bed maintenance, including fertilization, shrub pruning, and mulching.

Savings: \$105,000 (\$99,000 salaries and \$6,000 supplies)

Revenue: None

Positions: Eliminate 6 seasonal laborers.

Reduction in boulevard turf maintenance, including fertilization, herbicide treatments, weed control, edging, and debris pick-up.

Savings: \$78,000 (\$64,000 salaries and \$14,000 supplies)

Revenue: None

Positions: Eliminate 4 seasonal laborers.

Reduction in boulevard mowing to a bi-weekly cycle beginning in August.

Savings: \$38,000 (salaries)

Revenue: None

Positions: Eliminate 3 seasonal laborers.

Boulevard Gateway Signage Program with corporate sponsorship

Savings: None

Revenue: Approximately \$50,000 annually.

Positions: No impact.

Poinsettia Contract-Growing Program

Savings: None

Revenue: \$25,000 (\$1/square foot basis)

Positions: No Impact

Forestry Equipment Reductions

Savings: \$54,500

1. \$6,000 for 3 deck shells
2. \$24,500 for 5 trailers
3. \$19,800 for 9 field radios
4. \$4,200 for 3 utility trailers

Adjustments to Appropriation Accounts:

<u>Account</u>	<u>Title</u>	<u>2001 Budget</u>	<u>Reduction</u>
001-5810-006000	NET SALARIES & WAGES	\$6,687,323	-\$201,000
001-5810-006300	OPERATING EXPENDITURES	\$793,449	-\$20,000
001-5810-006800	EQUIPMENT PURCHASES	\$180,000	-\$54,500
	TOTAL		-\$275,500

Adjustments to Revenue Accounts:

<u>Account</u>	<u>Title</u>	<u>2001 Budget</u>	<u>Change</u>
MISCELLANEOUS REVENUE			
001-5810-009870	Other Miscellaneous	\$58,000	+\$75,000
	TOTAL		+\$75,000

2001 Budget Adjustments: Changes to Adopted Budget

Department: DPW - INFRASTRUCTURE

Description of Change:

- Reduction in Street lighting Burn Time (30 minutes per day, savings \$143,000)
- 20% Reduction in Overtime Street Light Repairs (savings \$100,000)
- Increase Rental Fee for Underground Conduit (not known)

Adjustments to Appropriation Accounts:

<u>Account</u>	<u>Title</u>	<u>2001 Budget</u>	<u>Reduction</u>
0001-5235-006000	NET SALARIES & WAGES	\$10,798,847	-\$100,000
0001-5235-006300	OPERATING EXPENDITURES	\$6,461,026	<u>-\$143,000</u>
	TOTAL		-\$243,000

Adjustments to Revenue Accounts:

<u>Account</u>	<u>Title</u>	<u>2001 Budget</u>	<u>Change</u>
CHARGES FOR SERVICES			
0001-5230-009400	DPW- Infrastructure Division	\$2,566,800	Unknown

2001 Budget Adjustments: Changes to Adopted Budget

Department: PARKING FUND

Description of Change:

- Increase Parking Citations by \$2 for every violation beginning July 1, 2001.
- Increase Night Parking Permits (beginning July 1,2001)

Adjustments to Revenue Accounts:

<u>Account</u>	<u>Title</u>	<u>2001 Budget</u>	<u>Change</u>
0450-6610-009611	PARKING CITATION REVENUE	\$21,741,090	+\$500,000
0450-6610-009400	PARKING PERMITS	\$1,362,300	<u>+\$130,000</u>
	TOTAL		+\$630,000

2001 Budget Adjustments: Changes to Adopted Budget

Department: DPW - BUILDINGS & FLEET DIVISION and SOLID WASTE FUND

Description of Change:

- Eliminate Spring and Fall Mailings for Recycling, Leaf Collection, and Solid Waste Services (\$35,000 Savings)
- Eliminate purchase of 2 Mad Vacs (\$60,000 Savings).
- Eliminate purchase of 300 Litter Cans (\$60,000 Savings)
- Reduce street sweeping by 25% (net savings of \$499,776 – includes savings in Buildings and Fleet and Sanitation)
- Charge Sewer Fund for clean fill dumping at Hartung (\$134,000 in projected revenue)
- Charge MMSD for river cleaning tonnage (\$9,000 in projected revenue)

Adjustments to Appropriation Accounts:

<u>Account</u>	<u>Title</u>	<u>2001 Budget</u>	<u>Reduction</u>
0001-6940-006300	OPERATING EXPENDITURES	\$13,284,903	-\$50,000
0001-6940-006800	EQUIPMENT PURCHASES	\$1,617,450	-\$120,000
0001-5450-006000	NET SALARIES AND WAGES	\$15,663,526	-\$213,140
0001-5450-006100	FRINGE BENEFITS	\$5,168,964	-\$70,336
0001-5450-006300	OPERATING EXPENDITURES	\$10,112,336	-\$92,300
0001-5450-006800	EQUIPMENT PURCHASES	\$3,528,055	-\$109,000
0001-6940-S194	SOLID WASTE FUND- CITY CONTRIBUTION	\$27,085,837	-\$170,000
	FRINGE BENEFIT OFFSET	-\$81,301,495	+\$70,336
	TOTAL		-\$754,440

Adjustments to Revenue Accounts:

<u>Account</u>	<u>Title</u>	<u>2001 Budget</u>	<u>Change</u>
1470-6940-009400	CITY CONTRIBUTION	\$27,085,837	-\$170,000
to existing acct.	HARTUNG CHARGES	\$0	+\$134,000
o existing acct.	RIVER CLEANING	\$0	+\$9,000
	TOTAL		-\$27,000

2001 Budget Adjustments: Changes to Adopted Budget

Department: CITY TREASURER

Description of Change:

- Hold position vacant - \$28,172.
Hold one Accounting Assistant I position vacant for 2001.

Adjustments to Appropriation Accounts:

<u>Account</u>	<u>Title</u>	<u>2001 Budget</u>	<u>Reduction</u>
0001-2210-006000	NET SALARIES & WAGES	\$1,613,190	-\$28,172
	TOTAL		-\$28,172

March 15, 2001

Norquist

ycr

Milwaukee

Alderman Terrance Herron and
Committee Members
Strategic Budget Planning Task Force
Office of the City Clerk, Room 205

Dear Alderman Herron and Committee Members:

On February 15, 2001, I directed my cabinet to prepare spending reduction plans for 2001. In early February, I also met with various elected officials and asked them for their cooperation in reducing planned 2001 expenditures. While this directive was difficult to deliver, and will be even more difficult to implement, we must protect our taxpayers against the unanticipated cost increases incurred in 2000.

The budget adjustments planned will help build the city's treasury in 2001 and position the city to repay any outstanding costs from 2000 operations. In some cases, they will assist the city in preparing for the 2002 budget, which will be especially challenging this year.

The Budget Office has prepared summary descriptions of the budget adjustments planned by departments (see attachments). Where possible, I've asked my cabinet to do more with less while continuing to deliver high quality services to our citizens. In other cases, departments have planned service delivery adjustments in non-critical public services. These adjustments total \$4 million. I would like to thank the Budget Office and city departments for their efforts in forwarding these proposals.

Several departments have brought forth ideas for generating additional local revenue. In addition to Alderman Prait's proposed revenue increases in parking citations, 2001 revenue adjustments are estimated to total approximately \$ 1 million.

The Budget Office also estimates that savings of \$3 million will be realized through the hiring freeze. And, while not included on the attached list, I have asked non-cabinet departments for additional savings. If we maintain our commitment to this challenge, the city's treasury will increase by a total of \$10 million by year-end 2001. I believe the city can manage and solve its current budget challenge. But together we must proceed more strategically as we move into the future.

When I delivered my 2001 budget message to the Common Council, I asked that we work together, at the beginning of the process, to address the city's budget challenges. We need to look at fundamental, systematic changes if we are to maintain the quality of services that people expect and deserve. I am glad to see the Common Council took this request seriously, and I look forward to working with Alderman Herron's strategic budget task force to address these issues.

The most significant problem, of course, has been the lack of growth in the State of Wisconsin's shared revenue formula. As each year passes, Milwaukee's taxpayers bear the burden of this freeze. While the Kettl Commission has proposed some improvements to the formula, the Wisconsin Legislature has not taken action on the Commission's recommendations. Therefore, now more than ever, the city must look even more closely at its budgetary and financial operations.

Mayor

Street

00

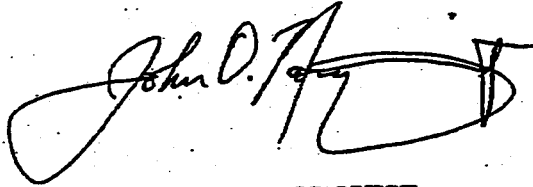
191

As the task force begins its important work, I would offer the following principles to guide its work:

- Identify services that add value to the city and ensure they are provided in the most cost effective way possible;
- Identify for elimination non-value adding services or programs; and,
- Develop revenue proposals which ensure that costs for services are distributed equitably among those who benefit from city services. And, consider fees and other revenues in the context of their total cost to city residents and businesses.

Working together, we can further strengthen Milwaukee's financial future and help ensure that Milwaukee will become an even more desirable place in which to live, work and do business.

Sincerely,

A handwritten signature in black ink, appearing to read "John O. Norquist". The signature is stylized with a large, sweeping initial "J" and a long horizontal stroke that extends to the right.

JOHN O. NORQUIST
Mayor

Cc: Common Council Members