

November 18, 2002

To The Honorable  
Common Council of the  
City of Milwaukee

Honorable Members of the Common Council:

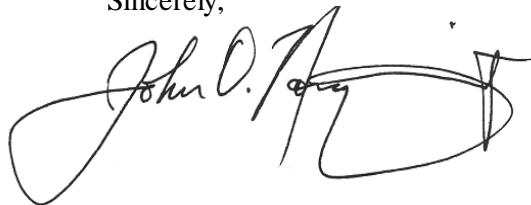
The 2003 city budget adopted by the Council on November 8 demonstrated our shared commitment to hold the line on city taxes. When I presented my budget to you in September I challenged you to work together to improve the budget and lighten government's load on our citizens. I appreciate your efforts to rise to the challenge and I applaud your actions to return to taxpayers, in large part, the \$1.5 million in new revenue found during the Council budget process. The Council's budget contained many difficult choices to minimize the cost of government for Milwaukee's taxpayers. And, the Council took responsible actions in almost every circumstance. After reviewing the Council's adopted changes to the proposed budget, I have decided not to veto any Council action.

As you know, the Common Council chose not to adopt all of the spending reduction initiatives I proposed, including certain changes in the Fire Department and Department of Public Works. Further dialogue should continue. But as a result of your deliberations, spending in the city's tax levy supported budgets will be capped at 2.3%, roughly the projected rate of inflation for 2003. Even so, I directed the Budget Office to look for additional opportunities to reduce the 2003 property tax burden for 2003.

Today, I've have learned that the State of Wisconsin's 2003 Payment for Municipal Services will increase by approximately \$685,000 from the \$2,000,000 currently included in the 2003 Council Adopted Budget. The impact of this new revenue will enable the city to drop the adopted tax rate from \$10.18 to \$10.14 per \$1,000 of assessed valuation. Accordingly, the 2003 property tax levy will increase by 4.9% over 2002 levels, saving the average taxpayer over \$3 next year compared to the tax levy adopted by the Council. I've asked Comptroller Morics to examine and recognize this additional revenue for calculation of the 2003 tax rate, and a letter from him should be forthcoming.

As we move forward to continue to address Milwaukee's fiscal challenges, I look forward to the continued positive debate and deliberations that occurred throughout the city's 2003 budget process.

Sincerely,

A handwritten signature in black ink, appearing to read "John O. Norquist". The signature is fluid and cursive, with a large loop at the beginning and a distinct end stroke.

JOHN O. NORQUIST  
Mayor