



Tom Barrett
Mayor, City of Milwaukee

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Mayor Barrett's 2006 Budget Address

Good morning.

Council President Hines, Members of the Common Council, Cabinet members and fellow elected officials,

It is an honor to be here to present my 2006 City Budget.

It's no secret to anyone here this morning that these are difficult fiscal times.

State aids have not kept pace with the costs of providing local services. Federal funds have been cut and rising fuel and energy bills are pushing the limits of our operating budgets.

Despite these fiscal challenges, Milwaukeeans can be proud that when Katrina hit the Gulf Coast, Milwaukee accepted the challenge of meeting the common good and met the responsibility that comes with citizenship.

People across the City contributed time and money. Our firefighters volunteered for relief duty. Our Health Department continues to staff the clinic at State Fair Park.

Our Housing Authority is working to find housing for our neighbors from New Orleans and City Hall employees are raising funds for Habitat for Humanity.

These efforts speak volumes about Milwaukee's heart and soul. Please join me in recognizing Health Commissioner Bevan Baker, Housing Authority Director Tony Perez and our Fire Department for their outstanding efforts in meeting the needs of the victims of Katrina.

And though he is working and not able to be here today, I would also like to acknowledge the terrific work Mayor Marvin Pratt is doing in this effort.

Last year, in a strategy to fight off cuts to state shared revenue, you joined me in meeting the legislative levy freeze. I thank you for that support.

This year, our task is more difficult.

I believe, however, the same four basic principles that guided us through last year's budget deliberations will help us again this year:

Protecting and maintaining essential services,
Producing a budget that meets the legislative levy limit,
Working to keep Milwaukee safe and secure, and
Improving the fiscal accountability of our City.

The budget I present to you today meets those four benchmarks. My proposed 2006 budget meets the newly imposed state levy limit and does **NOT** jeopardize our Expenditure Restraint Payment.

Despite the fiscal constraints, my proposed budget improves our fiscal stability and sustainability; enhances our management and accountability; and, provides the resources to secure a prosperous future.

Accomplishing these objectives was no easy task. Here are the financial realities we're all up against: Projected Shared Revenue payments for 2006 are almost \$65 million below their 1995 inflation-adjusted level.

Higher prices for fuel and electricity—which affect important City services such as police patrols, fire and emergency response, garbage collection, street lighting, and clean drinking water—will consume more than 80% of our increase permitted under State levy limits.

Borrowing decisions from 1995 thru 2004 result in 25% of our tax levy going toward debt service. In 2006, that will require almost \$6 million of additional tax levy for debt service.

Milwaukee's federally funded Community Development Block Grant funds have been reduced by \$2 million - a shortfall that impacts our capacity to serve neighborhoods.

Despite all these challenges, I remain confident that we will move Milwaukee forward.

This summer, I hosted a series of hands-on budget workshops. Several of you attended these sessions. Residents participating in the workshops sent one loud and clear message:

Milwaukeeans value what City government does for them.

Whether it's a paramedic performing a life saving response,
a librarian opening the doors to knowledge,
a forestry worker preserving our green space,
a police officer patrolling a neighborhood
or a sanitation worker keeping our neighborhoods clean---
our citizens know that City government delivers a lot for their money.

**PLEASE JOIN ME IN A ROUND OF APPLAUSE FOR OUR CITY WORKERS,
WHO HAVE HELPED MAKE MILWAUKEE THE MOST LIVABLE, LARGE
CITY IN AMERICA.**

Our residents demand value for their tax dollar, and we must do everything we can to insure that. Today I want to update you on my directive to reduce the Department of Public Works Vehicle Fleet. We have sold at auction 104 pieces of equipment with the remaining 40 to be sold this fall. We have reduced the cars taken home by personnel from 75 to 9.

I'm pleased with our progress, but we won't stop looking.

Insuring that taxpayers get the most bang for their buck is not just a short term goal. That's why I am submitting, with my 2006 Proposed Budget, a 3-year Budget Plan that identifies our fiscal challenges and proposes ways to meet them.

My Plan identifies expected revenues; establishes my expenditure priorities over the next three years, and the funding commitments associated with those priorities;

It proposes strategies to improve the City's fiscal stability. This budget represents a step toward a sustainable fiscal future and moves Milwaukee forward.

My Proposed 2006-2011 Capital Improvements Plan reduces tax levy borrowing from \$71.5 million in 2004, the year I took office, to \$56.5 million in 2008. If you support me, this action can stabilize our debt service by 2010.

I am proud that our strategy of budget stabilization has been recognized by Moody's ratings which has moved our outlook from "negative" to "stable," and allowed us to be rated better than the state and county at AA+.

This Budget reflects the increase to the Solid Waste fee which allows us to fund a second police recruit class and avoids the need to close any libraries or lay off firefighters.

I want to thank those members who supported this. It was a tough vote. I appreciate the fact that you realize the importance of balancing the budget and maintaining services.

I know our constituents will pay this fee and they deserve assurance that they are getting what they pay for.

Therefore, I will initiate late this year my Accountability in Management Initiative or AIM for short, modeled after Baltimore's Citi-Stat.

AIM will be my primary management tool to oversee City operations, manage for results and deliver excellent customer services for the citizens of Milwaukee. At regular AIM meetings, I will demand that City departments meet defined performance targets and hold City managers accountable for achieving results.

To generate more revenues, my budget proposes reorganization within the Department of Administration Community Block Grant Division. This division will still be the recipient of HUD funding, but it will also be responsible for aggressively pursuing and coordinating the City's grants.

In this budget, I also propose the creation of the Office of Sustainability at the recommendation of the Mayor's Green Team that I established this year. This office will steer citywide environmental policy, help set departmental goals and strategies and track their performance.

Public Safety remains my top priority. I have committed funding to allow the Police Department to add two full recruit classes, in addition to the class starting this November. This will result in three police classes over a 13 month period. In addition, I have increased tax levy funding for the Police overtime budget by \$1.5 million over the 2005 level.

I have also added funding for a 12th MED unit in the Fire Department, a continued commitment to making our fire department a first rate responder in fire suppression, emergency care, and medical services.

I have to tell you that I was very pleased with the results of this year's city internship program. Thank you Alderman Davis for your work on this. This budget will again provide sufficient CDBG funding to allow the City to continue the Summer Youth Internship program at the same participation level as we provided in 2005.

My 2006 Budget preserves our current level of locally-funded maternal and child health services, and I have maintained City support for our award-winning Lead Poisoning Prevention program.

Thanks to the leadership of Health Commissioner Bevan Baker, the City will initiate a new Milwaukee Comprehensive Home Visitation program. This program will serve families in targeted areas to:

Improve prenatal care
Prevent child abuse and neglect,
And assure child readiness for school.

In 2006, we will step up our efforts to find a funding source for the Housing Trust Fund. I want to thank Alderman Mike Murphy for his work on the Housing Trust Fund and look forward to working with all of you on the effort to create more affordable housing where it is needed.

I'm also pleased to announce that the capital budget will appropriate \$2 million for the Bradley School Tech Project. This will finance the demolition of the old Boys & Girls Tech and will allow Bradley Tech to provide the needed recreational facilities that have been absent from the campus.

Job creation remains at the top of my agenda. The Department of City Development will continue its aggressive pursuit of economic development that benefits neighborhoods throughout the City. I will continue to use all the financial tools we have available in order to entice and keep businesses here.

We have a lot to accomplish in 2006 -
The continuing work in the Menomonee Valley,
Tower Automotive,
The Veterans Administration Grounds re-development plan
and the Amtrak /Milwaukee Intermodal Station.

The resources necessary to keep these projects rolling are in the budget.

We must also work with our neighbors to make our region stronger. For this reason, I have included \$100,000 in my Proposed Budget for the City's participation in a regional marketing initiative.

I know that there are reservations about efforts to market Milwaukee as a region. In the past, our relationship with the suburbs was like two guys standing in the corner in the bus station arguing over who gets the window seat while the bus leaves the station. **We all need to be on that bus.**

I will ensure that these efforts make us stronger and greater. Milwaukee is the center of an important region and our success is directly linked to the region's growth and prosperity. Without other revenue options, growing our tax base is imperative. And without new employment opportunities our residents will have limited options.

I ask you to join me in promoting this city and region to keep Milwaukee moving forward.

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Watching the media accounts of those who didn't have the means to leave New Orleans led me to compare Milwaukee's poverty rate to that of New Orleans. In 2002 New Orleans had the 13th highest poverty rate and Milwaukee had the 12th. In 2004 New Orleans still had the 13th highest poverty rate and Milwaukee had the 7th.

These staggering statistics underscore why we must be committed to job creation and economic development.

And, while City government cannot overcome negative factors on its own, it must change so that Milwaukee can move to a more secure future.

City government's role in that future includes

budgeting more wisely,
controlling our debt,
and managing for results.

We must use our limited Budget resources to

provide public safety,
invest in our young people,
strengthen our neighborhoods
and create family supporting jobs.

Finally, I want to speak to our Suburban neighbors and policymakers in Madison.

Our neighbors must recognize that Milwaukee's state shared revenue payments are as important to them as they are to us. Without increased state shared revenues, our ability to provide essential services for regional attractions will be compromised.

Without more shared revenues, our means to serve the state's largest concentration of poor and working poor households will suffer.

If the region is to grow, then the region has to step up and press for increased funding of the state's shared revenue program.

I know that every member of the Common Council shares my confidence in our ability to move Milwaukee forward and provide a prosperous future.

That's why I ask for your support of this budget proposal.

I pledge my cooperation in working with you on your ideas and recommendations.

Together I know we will keep **Milwaukee moving forward.**

Thank you very much.