

May 3, 2006

File Ref: BF 07-3A

Mr. Jim Owczarski
Council Records Manager
City Hall, Room 205

Subject: Introduction of Resolutions

Dear Mr. Owczarski:

The Budget and Management Division respectfully requests introduction of the following "title only" resolutions at the May 9, 2006 meeting of the Common Council:

1. Resolution appropriating \$143,000 from the 2006 Common Council Contingent Fund to a new special fund under the Department of Administration's control for the implementation of a skilled trades training, certification and apprenticeship/employment placement program, pursuant to the 2006 budget.

Common Council Budget Amendment 5a to the 2006 budget provided \$143,000 of debt financed expenditure authority in three capital accounts for a "training and certification program for specific skilled trades for Milwaukee residents". The amendment made the Department of Administration (DOA) responsible for program administration. A copy of the amendment is attached.

DOA and the Mayor support the development of skilled workforce capacity among the city's residents. However, DOA has concluded that a debt financing approach limits the flexibility necessary to ensure that the funding provided results in cost effective training and actual job placement. The use of cash financing allows for a greater range of employment and training options, including the eventual placement of participants in skilled work in both city capital projects as well as in employment with other private and public sector entities.

If the Common Council adopts this resolution, the city would enter into a cooperation agreement with the Milwaukee Metropolitan Sewerage District (MMSD) for the implementation of training, certification, and placement in apprenticeship and employment of Milwaukee residents. MMSD has a similar program in place that utilizes the capacity of community based organizations such as Operation Big Step. The program's payments are primarily performance based, thus ensuring that the majority of expenditures will be linked directly to desired outcomes. Use of cash financing is also less expensive than a debt financing approach.

2. Resolution reserving up to \$130,000 from the 2006 Common Council Contingent Fund for the repair of cargo handling equipment for the Port of Milwaukee and authorizing such expenditure by the Port.

The Port of Milwaukee facilitates the operation of trade throughout the metropolitan region. The use of two sitting cranes is essential to the Port's effective operation. One of these two cranes is well past its expected useful life and has experienced irreparable damage to one of its major components. The Port has identified a new replacement component that makes it possible for the old crane to return to full operation. The estimated cost of purchasing and installing this replacement component is \$130,000.

The Budget Office will work with the Port and the City Comptroller to determine whether there are available unutilized funds in the Port's budget or surplus 2006 revenues that could be used to reduce or offset the need for Contingent Funds. In the meantime, we support this proposed reserve and the expenditure authority for the Port to ensure the timely return of the second crane to full operational capacity.

We expect to have these resolutions drafted by May 15, 2006.

Thank you for your consideration.

Respectfully submitted,

Mark Nicolini
Budget and Management Director

MN:dmr
Attachment

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