

Tom Barrett
Mayor, City of Milwaukee

May 1, 2014

To the Honorable, the Common Council
of the City of Milwaukee

Honorable Members of the Common Council:

Common Council File Number 131559 makes significant changes to various license and permit procedures and fees. These changes include:

- Transfer of responsibility for issuance of several licenses and permits from the Department of Neighborhood Services (DNS) and the Health Department (MHD) to the City Clerk;
- Changes to the timing of issuance and renewal of various licenses and permits;
- Increases to various license and permit fees;
- Expanded requirements for food operations plan review and creation of a new risk control or compliance plan, with fees for both;
- New requirements for submitting a plan of operations for various licenses and permits and a requirement that an approval and new license be issued for any change in the plan of operations.

I have vetoed this file for several reasons. The ordinance departs from the current regulatory approach, which attaches the authority for license and permit issuance to the department responsible for inspection of regulated facilities and the enforcement of code and statutory requirements. This ordinance severs these linkages and as a result may lead to an undue and uneven level of discretion in the approval process. I also have concerns that the ordinance would politicize the process we have today. In addition, I have concerns with the legislation's impact on making departmental operations and technology functions less efficient and more costly; as well as the lack of transparency which results from adopting proposals with substantial policy, operational, and fiscal impacts outside the annual budget process.

First, government regulation functions properly when decisions are based on clearly-established general rules and policies, rather than on the application of criteria peripheral to the activity being regulated. Regulation that is committed to a rule-based form of administrative decision-

making protects the public—and elected officials—from the potential for preferential or discriminatory treatment. Our current approach to regulation of licensed and permitted activities has helped Milwaukee earn a reputation for clean government. I believe the current approach should continue.

Second, the changes to the duration and timing of licenses create operational impacts, especially for DNS, which have not been taken into account. The current model for processing licenses and their related inspections allows for that work to be batched in an efficient manner. DNS currently clusters issuance and renewal of different license types at different points in the year (based on date specific renewal periods currently in ordinance), allowing efficient deployment of their staff and effective management of the workload. This supports productivity by minimizing travel time, preparation, and coordination when addressing specific license types.

The random nature of license renewals, as will result from this ordinance, will require DNS to deploy staff as requests come from the City Clerk. This has the potential of creating irregular work flow and bottlenecks when demands for renewal and new licenses increase. These operational impacts will require either new resources, or a reallocation of existing resources, with an estimated cost/value of \$72,000.

Third, I have a significant concern regarding the immediate and future impacts of these changes on information technology operations. The city, with Common Council approval, has initiated the development of a new land management system (LMS) for the management of information pertaining to land management, permitting, construction and building inspections, and code enforcement. The LMS vendor – Accela – has informed ITMD that if CCFN 131559 is adopted, it will need to submit a change order identifying increased costs for the interface with the City Clerk's License Information Reporting & Administration System (LIRA). The changes in this legislation increase the complexity and scope of the LIRA interface. Accela's preliminary estimate of increased cost is \$60,000. However, this cost estimate may change after Accela further analyzes the new requirements. ITMD also estimates an additional \$20,000 in its costs to implement the changes required by CCFN 131559.

The impact of these changes on IT costs may become more substantial if the LIRA application is not subsumed into LMS during 2015. For example, as more licenses and information about establishments are established in LIRA, Health Department staff becomes more dependent on the interface between LIRA and LMS and the ability to access all necessary license data in the field on their mobile devices. If there is an increase in the amount of data entry required to be done by Health Department staff or problems with accessing data in the field, there will be increased costs and workload.

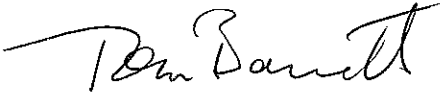
Finally, I have concerns regarding the timing of action on the ordinance. The ordinance establishes several new license and permits fees and modifies the calculation of several others, without the transparency that such proposals receive during the annual budget process. In some cases these changes may be warranted. However, I believe that there is a need for more input from the business community regarding these changes before they are considered for adoption. In addition, proposals that result in significant changes to departmental operational practices are

best considered during the budget process. This enables a more thorough discussion of the tradeoffs, costs, and possible alternatives associated with major policy changes.

In closing, I believe the ordinance changes contained in File 131559 will diminish the effectiveness of the City's regulation of multiple activities and expose decisions regarding license and permit issuance to unwarranted uncertainty. The legislation also provides for changes to license and permit fees that should be more thoroughly reviewed. The ordinance provisions will impede progress towards less complex and less costly technology operations.

I welcome a thorough discussion regarding improvements to our regulatory processes that ease the burden of compliance on business. However, I don't believe this ordinance is in the best interests of the community or its business firms. Therefore, I respectfully ask that you sustain my veto.

Sincerely,

A handwritten signature in cursive script that reads "Tom Barrett". The signature is written in dark ink and is positioned to the left of the typed name.

Tom Barrett
Mayor