

Reply to Common Council File No. 030085

From DOA-Budget and Management Division

May 2, 2003


Ref: 03041

Common Council File 030085 is a resolution relating to a 2003 Budget Adjustment Plan. This plan proposes to reduce 2003 departmental appropriations by \$2,506,313. Adopting this plan is a proactive measure, designed to reduce the fiscal pressure faced in upcoming 2004 Budget deliberations.

Working together, the Mayor and the Common Council have maintained Milwaukee's proven track record of fiscal responsibility. Despite these efforts, the city is faced with increasingly severe fiscal pressures for 2004. Double-digit healthcare cost increases, escalating 2003 Police Department overtime costs, and an anticipated reduction in the 2004 State Shared Revenue Payment combine to threaten our fiscal health.

Recognizing these challenges, each department was asked to submit a proposal to reduce expenditures by an amount approximately equal to 5 percent of their operating expenditures. Targeted departmental reductions totaled \$2,927,000. With the exception of the Police Department, the targeted reductions were met. The administration is proposing a minor adjustment of \$50,000 in Operating Expenditures and \$50,000 in Equipment Purchases for the Police Department in this plan. Minor adjustments were also made to several other departmental proposals.

RECOMMENDATION: ADOPT COMMON COUNCIL FILE NO. 030085



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