

April 21, 2005

Honorable Members
Finance & Personnel Committee

**Re: File 041723: Communication from the Budget & Management Analysis
Division Relating to the 2006 City Budget**

Dear Committee Members:

I have opened this file to initiate communication with the Common Council regarding the 2006 City Budget. Mayor Tom Barrett, Director of Administration Sharon Robinson, and I welcome your input as we build a three-year fiscal and strategic plan for the City.

The initial step in the Budget process is submittal of departmental requests. The Mayor and I have modified this step of the Executive Budget process. For many years the process has included a "budget allocation" that limited requests to an amount based largely on meeting tax levy parameters.

"Affordable government" remains a priority of the Barrett Administration. The Budget allocation was a powerful expenditure and levy control technique. However, the Budget process must also focus on the impact that expenditures have on the community. We have developed a 2006 process that allows us to focus attention on strategic priorities and services, without sacrificing the ability to limit expenditures to an affordable level.

My presentation at the April 27 Finance & Personnel Committee meeting will outline the 2006 Budget process. We will continue to communicate with the Council as the process moves forward. In the meantime, please call me if you have questions or comments.

Respectfully submitted,

Mark P. Nicolini
Budget & Management Director

Cc: Mayor Tom Barrett
Patrick Curley
Rhonda Kelsey
Sharon Robinson
Ald. Willie Hines, Common Council President
Common Council Members
Wally Morics
Marianne Walsh

Attachments