

John O. Norquist
Mayor, City of Milwaukee

November 24, 2003

To The Honorable
Common Council of the
City of Milwaukee

Honorable Members of the Common Council:

The 2004 budget was developed amid threats to the city's state shared revenue payment, and Republican legislators' claim that a reduction in funding was justified because municipalities were "big spenders". During this debate, we separated fact from fiction. It became obvious that the state, and not local governments, had budget growth rates well above the rate of inflation. I believe our work on previous budgets allowed us to disprove these claims and demonstrate that the City of Milwaukee has been responsible to its citizens in holding down the cost of municipal government. However, the shared revenue loss of \$9.8 million in 2004, and continued threats to future state aid funding, further illustrate the importance of continued fiscal restraint.

When I proposed my 2004 executive budget, I realized that the budget I was presenting would be an extremely challenging one for you – possibly the most difficult in the 15 years that I have been in office. Respecting the request made by Governor Doyle to municipalities, I proposed a budget that froze the property tax-levy. However, unlike the budgets presented by other executives, my "levy freeze" budget was accomplished in a responsible manner that protected the interest of our taxpayers; it did not raise major service fees, raid the city's reserve accounts or over inflate revenue estimates.

Instead I proposed changes that altered the scheduling and scope of some city services, but most importantly, preserved their availability. My intent was to balance the public's expectations with the underlying brutal fiscal reality facing Wisconsin municipalities: shared revenue has been cut deeply for 2004 and will be cut in the future. So I made strategic modifications that I believed the public would accept. The unacceptable alternatives are raising their property taxes and raising the bill for future taxpayers by pushing costs for current spending off into the future.

By your actions on November 14th, you have chosen to restore the prior levels and schedules for some services. Numerous amendments restored a host of services from winter garbage and



special pick-up collection cycles, to full year funding of the Villard and Center Street Libraries, to adjusting the staffing levels in the Police and Fire Departments. I know you share my concerns about providing services that add value to the lives of citizens at a minimal cost, and therefore, you also passed several amendments that attempted to offset these increases.

As I stated in my November 13th letter, I had serious concerns about several of these amendments. I believe increasing the use of reserves and altering capital financing only to add back spending create deficits in future years – funding gaps that will be faced by the next Mayor, future Common Councils, and most importantly, our taxpayers. It is critical to future success that the City of Milwaukee continue to remain a place where people want to “live, work, and conduct business”. By remaining vigilant on spending and reducing the tax burden of our citizens, these goals can be accomplished.

In light of the current fiscal environment, I am vetoing six amendments that were passed by the Common Council. Three of these vetoes pertain to an increased Parking Fund transfer and the financing of capital projects. In an effort to minimize the impact of these vetoes, which would add \$1.5 million to the levy, I am also vetoing three amendments that added spending in the Police, Fire, and Public Works Departments (totaling a reduction in spending of \$1.9 million).

If sustained, the city's 2004 tax rate would be \$9.71, a decrease of \$-0.44 from the 2003 adopted rate of \$10.15. The city's tax levy would be \$198.6 million, an increase of \$1.6 million from the 2003 tax levy. The resulting budget would closely reflect the rate and levy as recommended by the Finance and Personnel Committee, and also meets definition of the levy freeze as authored by the legislative Republicans.

While I could veto numerous other amendments in an effort to freeze the levy at 2003 levels, I realize that you feel strongly about restoring certain services. I am exercising restraint with these vetoes and urge you to join me in restoring those services that can be funded in an appropriate and sustainable manner while strategically restraining spending..

I look for your support in sustaining these vetoes and, where appropriate, I recommend that you adopt the related substitute actions.

Veto of Items Contained in Common Council Amendment #13a
Fire Department- Restore Minimum Staffing of Five Personnel on Four Single Engine Companies

I am vetoing Common Council Amendment #13a, which restores funding and positions to maintain minimum staffing of five personnel on four single engine companies and creates 44 unfunded auxiliary Fire Fighter positions.

The 2004 proposed budget standardized the minimum staffing of 18 non-special teams single engine companies from four personnel to five. While the proposed budget changed the staffing levels on these apparatus, it continued higher staffing levels (five personnel) for the department's special teams units and ladder companies. The amendment adopted by the Common Council

would maintain minimum staffing of five personnel on four of the 18 engine companies for a cost of \$705,700.

The staffing levels proposed comply with industry standards (National Fire Protection Association) and the staffing levels of fire departments in other major cities. Based on a 2002 Chicago Fire Department Survey, 19 of the 23 cities queried maintained staffing of four Fire Fighters on engine companies (Indianapolis maintained staffing of three personnel). The City of Milwaukee is one of only three cities (New York and Chicago) to maintain staffing of five Fire Fighters on engine companies.

During the Finance and Personnel Committee's review of the Fire Department's budget, Chief Wentlandt stated that staffing of apparatus was only one of many factors impacting public safety and the number of fire deaths in the city. He stressed the importance of Fire Fighter training and public education efforts like FOCUS, ElderSafe, Survive Alive, and the newly proposed "Sleep Safely" Program. The 2004 budget continues to invest in the Fire Department's public education efforts and includes an additional \$250,000 for equipment to focus on fire fighter safety.

Making a reduction to our city's public safety forces is never an easy decision. However, I believe that the proposed budget as originally presented, reduces the Fire Department in a responsible manner that protects both the interests of our taxpayers and the need to maintain the highest level of public safety services.

Based on the above reasons, I ask that you sustain my veto.

Veto of Items Contained in Common Council Amendment #21
Library/Capital Improvements - Convert Neighborhood Library Improvement Fund to
Borrowing

I am vetoing Common Council Amendment #21, which converted funding for the Neighborhood Library Improvement Fund from tax levy cash financing to borrowing.

This funding will replace the closed circuit security cameras at the 12 neighborhood library branches. The current ten year old system has several significant operational deficiencies due to the inability to acquire spare parts for maintenance. The estimate for this project is \$175,000.

The city has a policy of funding smaller projects, those under \$200,000, with tax levy cash. The major reason for this policy is to minimize the cost of such projects to taxpayers. Borrowing for smaller projects tremendously increases their overall cost. Based on experience with similar projects, and the rapid change in technology, we do not expect the new security system to last significantly longer than ten years. Since the city normally issues 15 year bonds, taxpayers would continue to pay for this project well in excess of the new cameras' expected life.

Finally, borrowing for small, relatively short lived projects also increases the city's debt load. Over the past decade, the city has been making a concerted effort to borrow only for larger, long

lived projects that will benefit future as well as present taxpayers. Following such a policy will help minimize the city's outstanding debt.

Based on the above reasons, I ask that you sustain my veto.

Veto of Items Contained in Common Council Amendment #27a
DPW-Operations - Restoration of Additional Funding for Pruning

I am vetoing Common Council Amendment #27a, which restores funding and positions to the Forestry Section in the Operations Division of DPW for special pruning requests.

We all agree the Forestry Section does an outstanding job of caring for and maintaining the city's urban forest. Part of this care and maintenance is the timely pruning of over 200,000 of the city's street trees. Prior to the 2004 budget, Forestry had been pruning small trees every three years, and large trees every six years. The 2004 proposed budget changed this timeline to pruning every tree on a five year cycle. The amendment passed by the Common Council maintains the proposed five year pruning cycle, but includes an additional \$242,600 for special pruning requests.

This change in the pruning cycle is well within industry standards. For example, the Society of Municipal Arborists recommends that cities should strive for a pruning cycle of less than eight years. The city's proposed five year cycle easily achieves this standard, and will not significantly change the mortality of the city's trees. It should be noted that the new cycle prunes large trees, the ones that most likely to break in a storm, more frequently than the current cycle.

While we would always prefer to provide more service rather than less, the city can no longer afford to spend more than \$10 million on boulevard and tree upkeep. I believe that the proposed budget provided adequate funding for a five year pruning cycle, including funds for emergency or other special pruning requests. Most importantly, I feel that the changes included in the proposed budget will not adversely impact the city's urban forest and are reasonable given the city's current financial environment.

Based on the above reasons, I ask that you sustain my veto.

Veto of Items Contained in Common Council Amendment #34
Capital Improvements Budget - Increase Recreational Facility Funding and Convert to Borrowing

I am vetoing Common Council Amendment #34, which increased funding for the Recreational Facility Capital Improvements Program to \$400,000 and converted funding from tax levy cash financing to borrowing.

I have two overriding concerns with this amendment. First, this amendment violates the Infrastructure Cash Conversion Policy adopted by the Common Council in 1986 (Resolution #851157a). The 2004 proposed budget met the requirements of this policy, and financed 95.52%

of these projects with cash tax-levy financing (100% cash financing will be attained in 2005). The Recreational Facilities Program is included in the Infrastructure Cash Conversion Policy, and this amendment would decrease the level of cash financing of these projects to 91.63% in 2004.

The withdrawal from this policy could have long term impacts on the city. Our continued progress toward this goal is viewed favorably by the city's bond rating agencies, particularly in this time of fiscal stress for state and local governments nationwide. Finally, the policy was adopted to convert recurring infrastructure projects to cash financing in an effort to decrease the city's overall debt and reduce costs to taxpayers.

My second concern is related to increasing the funding for this program beyond the original proposed funding level of \$219,000. The proposed budget funded the reconstruction of two children's play areas to comply with standards in the Americans with Disabilities Act, restored a play area and restored various ball diamonds. These improvements will significantly enhance recreational opportunities for the city's children and other residents. I believe that the level of funding proposed is appropriate for this program given the numerous capital needs of the city.

Based on the above reasons, I ask that you sustain my veto.

Veto of Items Contained in Common Council Amendment #36
DPW-Parking Fund - Increase Transfer to the General Fund

I am vetoing Common Council Amendment #36, which increases the payment from the Parking Fund to the General Fund by \$1.1 million.

The 2004 proposed budget transferred \$10.9 million from the Parking Fund to the General Fund. I believe this transfer was appropriate in terms of the current and projected status of the fund and its sustainability through 2005 and beyond. However, this amendment will increase the transfer to \$12 million - a level that could not be replicated in 2005, as testified by DPW officials during the Finance and Personnel Committee's review of this amendment.

When I proposed the 2004 budget, I believed the budget contained a well-balanced mix of service cuts and use of available reserves. The intent was to maintain a strong reserve base while providing vital city services to our taxpayers. Over utilization of Parking Fund reserves places unnecessary stress on the financial condition of Parking Fund, negatively impacts the overall city financial condition, and will put the next Mayor and Common Council at a disadvantage.

Use of one time cash to finance ongoing services has the effect of raising the property tax levy in 2005 by \$1.1 million unless new cuts in services are found. Similar strategies have created problems for other governmental units in the past. I ask that the integrity of the city's financial status remain intact by avoiding this type of budgeting.

Based on the above reasons, I ask that you sustain my veto.

Veto of Items Contained in Common Council Amendment #54a
Police Department - To Provide Funding to Move Up the 2004 Police Officer Recruit
Classes to April and September

I am vetoing Common Council Amendment #54a, which increases the Milwaukee Police Department budget to start police recruit classes in April and September 2004.

The 2004 proposed budget included funding for two police recruit classes, one to start in June and the other in November. The amendment passed by the Common Council will move the start dates for these classes up by two months each for a cost of approximately \$920,000. With these two classes, it is anticipated that the number of Police vacancies will stabilize in 2004.

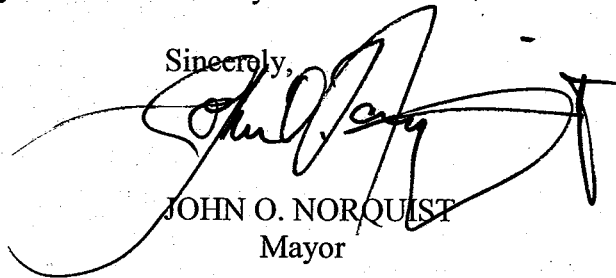
I am confident that the new Police Chief, Chief Nannette Hegerty, will be able to accomplish the department's goals of crime reduction with the funding proposed. The Chief will be able to implement new strategies, eliminate the Violent Crimes Task Force, and move more sworn positions out on the street from current administrative duties.

I understand the intent of this amendment is to increase the number of officers on the street. However, we are unable to protect the finances of the city's taxpayers without reductions in the Police Department budget. At the 2004 proposed level of \$178.5 million, approximately 40% of the general city budget is dedicated to police services. Since the only fiscally responsible tools available to us are to increase revenues, reduce services or raise taxes, we must reevaluate every area of the budget, including the Police and Fire Departments. Considering our \$9.8 million reduction in state shared revenue in 2004 and the likelihood of further reductions in future years, this level of funding provides the highest level of service the city can afford.

Based on the above reasons, I ask that you sustain my veto.

In closing, I would like to restate my appreciation for all of your hard work during the 2004 budget deliberations. I ask that you sustain all of my vetoes.

Sincerely,

A large, stylized handwritten signature in black ink, which appears to read "John O. Norquist". The signature is written over the printed name and title.

JOHN O. NORQUIST
Mayor

FIRE DEPARTMENT
AMENDMENT #13A

A. DISAPPROVAL ACTION

The Mayor disapproves of the following budget line(s) in the 2004 budget: (which were affected by Common Council Amendment #13A which restored minimum staffing of five personnel per day on four single engine companies and adds 44 unfunded auxiliary Fire Fighter positions).

<u>BMD-2 Page and Line No.</u>	<u>Item Description</u>	<u>2004 Positions or Units</u>	<u>2004 Amount</u>
	SECTION I.A.1. BUDGETS FOR GENERAL CITY PURPOSES		
	FIRE DEPARTMENT		
	FIREFIGHTING DIVISION DECISION UNIT		
	Insert the footnote designator "B" on the following line:		
210.4-11	Firefighter	547	\$26,433,088
	Insert immediately following the line:		
210.4-19	"Administrative Captain"	--	--
	Insert the following lines and corresponding amounts:		
	"AUXILIARY POSITIONS"		
	"Firefighter"	44	--
210.4-24	Overtime Compensated** (Special Duty)	--	\$5,118,208
210.5-11	O&M FTE'S	1050.51	--
	Immediately following the line:		
	"NON-O&M FTE'S"		
	Insert the following footnote:		
	"(B) 12 firefighter positions shall be assigned at the discretion of the Fire Chief to areas of the city with the greatest need."		
210.5-23	ESTIMATED EMPLOYEE FRINGE BENEFITS	--	\$18,581,532
210.10-26	DIRECT LABOR HOUR ALLOCATION	--	2,385,712
400.1-3	FRINGE BENEFIT OFFSET	--	\$-97,220,109

In lieu of the above disapproved item, the Mayor recommends adoption of the following substitute action:

B. SUBSTITUTE ACTION

BMD-2

Page and

Line No.Item Description2004 Positions
or Units2004 AmountSECTION I.A.1. BUDGETS FOR GENERAL CITY
PURPOSES

FIRE DEPARTMENT

FIREFIGHTING DECISION UNIT

210.4-11	Firefighter	535	\$25,855,840
210.4-24	Overtime Compensated** (Special Duty)	--	\$4,989,724
210.5-11	O&M FTE'S	1038.51	--
210.5-23	ESTIMATED EMPLOYEE FRINGE BENEFITS	--	\$18,362,755
210.10-26	DIRECT LABOR HOUR ALLOCATION	--	2,358,460
400.1-3	FRINGE BENEFIT OFFSET	--	\$-97,438,886

C. COMBINED EFFECT OF ACTIONS A & B ABOVE:

1. Budget Effect	=	\$-705,732
2. Levy Effect	=	\$-705,732
3. Rate Effect	=	\$-0.035

LIBRARY/CAPITAL IMPROVEMENTS
AMENDMENT #21

A. DISAPPROVAL ACTION

The Mayor disapproves of the following budget line(s) in the 2004 budget: (which were affected by Common Council Amendment #21 which converted the Neighborhood Library Improvement Fund financing from tax levy cash to borrowing, not meeting the Infrastructure Cash Conversion Policy for 2004 as established by Common Council Resolution 851157a).

<u>BMD-2</u> <u>Page and</u> <u>Line No.</u>	<u>Item Description</u>	<u>2004 Positions</u> <u>or Units</u>	<u>2004 Amount</u>
	SECTION I.C.1. BUDGETS FOR CAPITAL IMPROVEMENTS		
	LIBRARY		
	Neighborhood Library Improvements Fund		
480.19-13	New Borrowing	--	\$175,000
	SECTION I.C.2. SOURCE OF FUNDS FOR CAPITAL IMPROVEMENTS BUDGET		
480.46-13	New Authorizations – City Share (A)	--	\$61,094,450
480.47-5	Cash Levy (A)	--	\$11,694,510
	SECTION I.D.1. BUDGET FOR CITY DEBT		
490.1-8	Bonded Debt (Interest)	--	\$38,768,703
	SECTION I.D.2. SOURCE OF FUNDS FOR CITY DEBT		
490.2-21	Property Tax Levy	--	\$54,004,354
	SECTION II. PROPOSED BORROWING AUTHORIZATIONS		
	C. PUBLIC IMPROVEMENTS		
610.1	10.Library Improvements authorized under section 229.11 and 229.17	--	\$2,000,000

In lieu of the above disapproved item, the Mayor recommends adoption of the following substitute action:

B. SUBSTITUTE ACTION

BMD-2 Page and <u>Line No.</u>	<u>Item Description</u>	2004 Positions or Units	2004 Amount
	SECTION I.C.1. BUDGETS FOR CAPITAL IMPROVEMENTS		
	LIBRARY		
480.19-12	Neighborhood Library Improvements Fund Cash Levy	--	\$175,000
	SECTION I.C.2. SOURCE OF FUNDS FOR CAPITAL IMPROVEMENTS BUDGET		
480.46-13	New Authorizations -- City Share (A)	--	\$60,919,450
480.47-5	Cash Levy (A)	--	\$11,869,510
	SECTION I.D.1. BUDGET FOR CITY DEBT		
490.1-8	Bonded Debt (Interest)	--	\$38,764,765
	SECTION I.D.2. SOURCE OF FUNDS FOR CITY DEBT		
490.2-21	Property Tax Levy	--	\$54,000,416
	SECTION II. PROPOSED BORROWING AUTHORIZATIONS		
	C. PUBLIC IMPROVEMENTS		
610.1	10. Library Improvements authorized under section 229.11 and 229.17	--	\$1,825,000

C. COMBINED EFFECT OF ACTIONS A & B ABOVE:

1. Budget Effect	=	\$-3,938
2. Levy Effect	=	\$+171,062
3. Rate Effect	=	\$+0.008

DPW - OPERATIONS
AMENDMENT #27A

A. DISAPPROVAL ACTION

The Mayor disapproved of the following budget line(s) in the 2004 budget: (which were affected by Common Council Amendment #27A which added position authority, funding, FTE's, and direct labor hours to provide additional personnel for tree pruning special requests).

<u>BMD-2 Page and Line No.</u>	<u>Item Description</u>	<u>2004 Positions or Units</u>	<u>2004 Amount</u>
SECTION I.A.1. BUDGETS FOR GENERAL CITY PURPOSES			
DPW-OPERATIONS DIVISION FORESTRY SECTION			
320.45-19	Urban Forestry Manager (X)	8	\$466,987
320.45-21	Urban Forestry Specialist	114	\$4,404,259
320.45-22	Urban Forestry Crew Leader	21	\$915,063
320.46-19	Urban Forestry Manager	1	\$0
320.47-20	O&M FTE'S	158.72	--
320.48-4	ESTIMATED EMPLOYEE FRINGE BENEFITS	--	\$2,543,641
320.52-8	DIRECT LABOR HOUR ALLOCATION	--	285,696
400.1-3	FRINGE BENEFIT OFFSET	--	\$-97,528,657

In lieu of the above disapproved item, the Mayor recommends adoption of the following substitute action:

B. SUBSTITUTE ACTION

<u>BMD-2 Page and Line No.</u>	<u>Item Description</u>	<u>2004 Positions or Units</u>	<u>2004 Amount</u>
SECTION I.A.1. BUDGETS FOR GENERAL CITY PURPOSES			
DPW-OPERATIONS DIVISION FORESTRY SECTION			
320.45-19	Urban Forestry Manager (X)	7	\$418,000

320.45-21	Urban Forestry Specialist	109	\$4,227,994
320.45-22	Urban Forestry Crew Leader	20	\$874,300
320.46-19	Urban Forestry Manager	1	\$23,392
320.47-20	O&M FTE'S	152.22	--
320.48-4	ESTIMATED EMPLOYEE FRINGE BENEFITS	--	\$2,453,870
320.52-8	DIRECT LABOR HOUR ALLOCATION	--	273,996
400.1-3	FRINGE BENEFIT OFFSET	--	\$-97,438,886

C. COMBINED EFFECT OF ACTIONS A & B ABOVE:

1. Budget Effect	=	\$-242,623
2. Levy Effect	=	\$-242,623
3. Rate Effect	=	\$-0.012

CAPITAL IMPROVEMENTS
AMENDMENT #34

A. DISAPPROVAL ACTION

The Mayor disapproves of the following budget line(s) in the 2004 budget: (which were affected by Common Council Amendment #34 which converted recreational facilities financing to borrowing and increase to \$400,000, not meeting the Infrastructure Cash Conversion Policy for 2004 as established by Common Council Resolution 851157a).

<u>BMD-2</u> <u>Page and</u> <u>Line No.</u>	<u>Item Description</u>	<u>2004 Positions</u> <u>or Units</u>	<u>2004 Amount</u>
	SECTION I.C.1. BUDGETS FOR CAPITAL IMPROVEMENTS		
	DPW-OPERATIONS DIVISION		
	BUILDINGS AND FLEET PROJECTS		
	Playgrounds and Totlots		
480.43-5	New Borrowing	--	\$400,000
	SECTION I.C.2. SOURCE OF FUNDS FOR CAPITAL IMPROVEMENTS BUDGET		
480.46-13	New Authorizations – City Share (A)	--	\$61,319,450
480.47-5	Cash Levy (A)	--	\$11,650,510
	SECTION I.D.1. BUDGET FOR CITY DEBT		
490.1-8	Bonded Debt (Interest)	--	\$38,773,765
	SECTION I.D.2. SOURCE OF FUNDS FOR CITY DEBT		
490.2-21	Property Tax Levy	--	\$54,009,416
	SECTION II. PROPOSED BORROWING AUTHORIZATIONS		
	C. PUBLIC IMPROVEMENTS		
610.1	9. Parks and Public Grounds	--	\$400,000

In lieu of the above disapproved item, the Mayor recommends adoption of the following substitute action:

B. SUBSTITUTE ACTION

BMD-2
Page and
Line No.

Item Description

2004 Positions
or Units

2004 Amount

SECTION I.C.1. BUDGETS FOR CAPITAL
IMPROVEMENTS

DPW-OPERATIONS DIVISION

BUILDING AND FLEET PROJECTS

480.43-3	Playgrounds and Totlots Cash Levy	--	\$219,000
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SECTION I.C.2. SOURCE OF FUNDS FOR
CAPITAL IMPROVEMENTS BUDGET

480.46-13	New Authorizations – City Share (A)	--	\$60,919,450
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480.47-5	Cash Levy (A)	--	\$11,869,510
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SECTION I.D.1. BUDGET FOR CITY DEBT

490.1-8	Bonded Debt (Interest)	--	\$38,764,765
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SECTION I.D.2. SOURCE OF FUNDS FOR CITY
DEBT

490.2-21	Property Tax Levy	--	\$54,000,416
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SECTION II. PROPOSED BORROWING
AUTHORIZATIONS

C. PUBLIC IMPROVEMENTS

610.1	9. Parks and Public Grounds	--	\$0
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C. COMBINED EFFECT OF ACTIONS A & B ABOVE:

1. Budget Effect	=	\$-190,000
2. Levy Effect	=	\$+210,000
3. Rate Effect	=	\$+0.010

DPW-PARKING FUND
AMENDMENT #36

A. DISAPPROVAL ACTION

The Mayor disapproves of the following budget line(s) in the 2004 budget: (which were affected by Common Council Amendment #36 which increased the payment to the General Fund from the Parking Fund by \$1.1 million).

<u>BMD-2</u> <u>Page and</u> <u>Line No.</u>	<u>Item Description</u>	<u>2004 Positions</u> <u>or Units</u>	<u>2004 Amount</u>
	SECTION I.A.2. SOURCE OF FUNDS FOR GENERAL CITY PURPOSES		
	MISCELLANEOUS REVENUES		
420.5-10	Parking Fund Transfer	--	\$12,000,000
	SECTION I.G.1. BUDGET FOR PARKING		
520.5-20	TRANSFER TO GENERAL FUND	--	\$12,000,000
	SECTION I.G.2. SOURCE OF FUNDS FOR PARKING		
520.11-7	Withdrawal from Retained Earnings	--	\$2,323,546

In lieu of the above disapproved item, the Mayor recommends adoption of the following substitute action:

B. SUBSTITUTE ACTION

<u>BMD-2</u> <u>Page and</u> <u>Line No.</u>	<u>Item Description</u>	<u>2002 Positions</u> <u>or Units</u>	<u>2002 Amount</u>
	SECTION I.A.2. SOURCE OF FUNDS FOR GENERAL CITY PURPOSES		
	MISCELLANEOUS REVENUES		
420.5-10	Parking Fund Transfer	--	\$10,900,000

SECTION I.G.1. BUDGET FOR PARKING

520.5-20	TRANSFER TO GENERAL FUND	--	\$10,900,000
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SECTION I.G.2. SOURCE OF FUNDS FOR PARKING

520.11-7	Withdrawal from Retained Earnings	--	\$1,223,546
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C. COMBINED EFFECT OF ACTIONS A & B ABOVE:

1. Budget Effect	=	\$-1,100,000
2. Levy Effect	=	\$+1,100,000
3. Rate Effect	=	\$+0.054

POLICE DEPARTMENT
AMENDMENT #54A

A. DISAPPROVAL ACTION

The Mayor disapproves of the following budget line(s) in the 2004 budget: (which were affected by Common Council Amendment #54A which provides salary funding, O&M FTE's, and direct labor hours to move up the Police Officer Recruit Classes so that one starts in April, 2004 and the other in September, 2004).

<u>BMD-2</u> <u>Page and</u> <u>Line No.</u>	<u>Item Description</u>	<u>2004 Positions</u> <u>or Units</u>	<u>2004 Amount</u>
	SECTION I.A.1. BUDGETS FOR GENERAL CITY PURPOSES		
	POLICE DEPARTMENT		
	ADMINISTRATION/SERVICES DECISION UNIT		
270.16-11	Other Operating Supplies	--	\$1,078,114
	OPERATIONS DECISION UNIT		
270.31-9	Personnel Cost Adjustment	--	\$-2,617,079
270.31-20	O&M FTE'S	1984.80	--
270.33-6	ESTIMATED EMPLOYEE FRINGE BENEFITS	--	\$31,008,353
270.37-4	DIRECT LABOR HOUR ALLOCATION	--	3,274,921
400.1-3	FRINGE BENEFIT OFFSET	--	\$-97,702,476

In lieu of the above disapproved item, the Mayor recommends adoption of the following substitute action:

B. SUBSTITUTE ACTION

<u>BMD-2</u> <u>Page and</u> <u>Line No.</u>	<u>Item Description</u>	<u>2004 Positions</u> <u>or Units</u>	<u>2004 Amount</u>
	SECTION I.A.1. BUDGETS FOR GENERAL CITY PURPOSES		
	POLICE DEPARTMENT		
	ADMINISTRATION/SERVICES DECISION UNIT		
	OPERATIONS DECISION UNIT		

270.16-11	Other Operating Supplies	--	\$1,038,155
OPERATIONS DECISION UNIT			
270.31-9	Personnel Cost Adjustment	--	\$-3,495,711
270.31-20	O&M FTE'S	1961.11	--
270.33-6	ESTIMATED EMPLOYEE FRINGE BENEFITS	--	\$30,744,763
270.37-4	DIRECT LABOR HOUR ALLOCATION	--	3,235,832
400.1-3	FRINGE BENEFIT OFFSET	--	\$-97,438,886

C. COMBINED EFFECT OF ACTIONS A & B ABOVE:

1. Budget Effect	=	\$-918,591
2. Levy Effect	=	\$-918,591
3. Rate Effect	=	\$-0.045